

IN THE SUPREME COURT
STATE OF MISSOURI

No. SC 84190

In re:
Joseph P. Danis,
Respondent.

**Brief of Respondent
Danis**

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TABLE OF CONTENTS

TABLE OF AUTHORITIES	7
POINTS RELIED ON	11
STATEMENT OF THE CASE	18
STANDARD OF REVIEW	20
STATEMENT OF FACTS	21
I. Mr. Danis represented a client against Chrysler in an action alleging defective anti-lock braking systems (“ABS”); Mr. Danis had formerly briefly represented Chrysler in an action alleging defective latches	21
II. Mr. Danis and others determined that accepting an ABS case against Chrysler would not create a conflict of interest with his former representation of Chrysler	26
III. When Mr. Danis left Thompson & Mitchell, he only took with him a “form file” containing copies of public and generic documents	28
IV. Mr. Danis was not exposed to confidential Chrysler information	30
V. Mr. Danis had limited involvement in the ABS case	33
VI. The handling of Chrysler ABS-related correspondence after Mr. Danis stopped working on the case	38
VII. The alleged discovery abuse	40

VIII.	Mr. Danis’s failure to produce the Grossman letter or to supplement his interrogatory answer and responses to document requests was the result of negligence on the part of his attorneys and not an intent to deceive or defraud	55
IX.	Factors in mitigation	58
	SUMMARY OF THE ARGUMENT	60
	ARGUMENT	61
I.	Mr. Danis did not violate Rule 4-1.9(a) in representing Mr. Beam against Chrysler because the lawsuit was not substantially related to any matter in which Mr. Danis formerly represented Chrysler, in that defective ABS brakes are not substantially related to defective heater cores or defective latches	61
II.	The Court should not hold that Mr. Danis is barred under principles of non-mutual offensive collateral estoppel from contesting the district court’s holding, affirmed by the Court of Appeals for the Eighth Circuit, that he committed intentional discovery abuse, because the legal requirements for application of non-mutual offensive collateral estoppel are not present, in that (a) the issues decided in the district court and the Eighth Circuit are not identical	

to the issue presented here and (b) Mr. Danis did not receive a full and fair hearing in federal court	71
A. An attorney is entitled to a greater degree of due process in a disciplinary proceeding than a party is entitled to in a discovery sanction proceeding	73
1. Due process requirements in an action to impose discovery sanctions do not include the requirement of an evidentiary hearing	76
2. An attorney has a significant property interest in his law license, and is therefore entitled to an evidentiary hearing before discipline is imposed	76
B. The trial court's oral statements are not binding for purposes of collateral estoppel	79
C. No court has found that Mr. Danis (as opposed to his lawyers) committed discovery abuses	81
III. Mr. Danis's response to document request No. 25 was accurate, and therefore not in violation of Rule 4-3.4(a) & (d) or Rule 4-8.4(c) & (d), because the request sought documents related to an "agreement" on fee sharing or joint representation and the response stated that "no such documents exist," in that while there were	

documents relating to <i>proposals</i> concerning fee sharing and joint representation, the Informant has failed to show by the preponderance of the evidence that any <i>agreement</i> on those subjects was ever reached	82
A. The Grossman letter	86
B. The January 9, 1996 letter by Mr. Deakle	88
C. The July 16, 1996 letter by David Danis	91
D. The July 16, 1996 letter by Mr. Phebus	89
IV. Although Mr. Danis's response to interrogatory No. 2 was not completely accurate due to his failure to disclose the meetings with the Blumenfeld lawyers or the meeting with Grosman in New York, he was not in violation of Rule 4-3.4(a) & (d) or Rule 4-8.4(c) & (d), because Mr. Danis honestly understood that those meetings, which he had disclosed to his attorney, were not mentioned in the answer because the answer incorporated the district court's order sustaining many of Mr. Danis's objections, and also incorporated agreements with Chrysler's counsel relating to privilege issues	93
V. Mr. Danis's response to interrogatory No. 2 and to Document request No. 12 is not in violation of Rule 4-3.4(a) & (d) or Rule 4-8.4(c) & (d), because it was made honestly after reasonable	

inquiry, notwithstanding Mr. Danis’s failure to disclose the so-called 42 documents, in that (a) the evidence does not establish that Mr. Danis received or ever knew about the great majority of the 42 documents, which were directed to be delivered to Danis Cooper and not Carey & Danis, (b) many of the 42 documents were not responsive to either discovery request, and (c) almost without exception, the 42 documents were such innocuous and insignificant documents that, if seen by Mr. Danis (which they were not), they would have been immediately forgotten 99

A. Many of the 42 documents were not responsive to the discovery requests because they did not refer to any Chrysler ABS case, but instead referred to Chrysler paint cases or to non-Chrysler cases, all of which were outside the scope of the discovery requests 103

B. For many of the documents, it is unclear or ambiguous as to whether they would be responsive to the discovery requests even if known to Mr. Danis 105

C. Several of the documents were not created until after the discover responses were served 108

D.	There were nine documents produced by the group members that appear to have been probably responsive to Chrysler's discovery requests if in the possession or control of Mr. Danis at the time of the discovery requests	109
VI.	Under the totality of the facts and the circumstances of this case, the proper discipline, if any, to be imposed on Mr. Danis is a public reprimand without suspension of his law license	113
CONCLUSION		116

TABLE OF AUTHORITIES

Page

Constitutional Provisions and Rules

U.S. Const., Fifth Amendment	76
U.S. Const., Fourteenth Amendment	76
Mo. Const., Art. I, Section 10	76
Supreme Court Rule 4-1.9(a)	<i>passim</i>
Supreme Court Rule 4-3.4	<i>passim</i>
Supreme Court Rule 4-8.4	<i>passim</i>
Supreme Court Rule 5.16	20
Rule 26(e)(2), Federal Rules of Civil Procedure	97-98, 102
Rule 26(g)(2), Federal Rules of Civil Procedure	100

Cases

<i>Belton v. Board of Police Comm'rs</i> , 708 S.W.2d 131 (Mo. banc 1986)	77
<i>Cardona v. General Motors Corp.</i> , 942 F. Supp. 968 (D.N.J. 1996)	69-70
<i>Carondelet Savings & Loan Ass'n v. Boyer</i> , 645 S.W.2d 24 (Mo. App. 1982)	80
<i>Chrysler Corp. v. Carey</i> , 186 F.3d 1016 (8th Cir. 1999)	72, 76

<i>Cotleur v. Danziger</i> , 870 S.W.2d 234 (Mo. banc 1994)	81
<i>Dabin v. Director of Revenue</i> , 9 S.W.3d 610 (Mo. banc 2000)	78
<i>Donelon v. Division of Employment Security</i> , 971 S.W.2d 869 (Mo. App. 1998)	78
<i>Duncan v. Duncan</i> , 751 S.W.2d 763, 766 (Mo. App. 1988)	19
<i>Emle Industries, Inc. v. Patentex, Inc.</i> , 478 F.2d 562 (2nd Cir. 1973)	68
<i>Gateway Exteriors, Inc. v. Suntide Homes, Inc.</i> , 882 S.W.2d 275 (Mo. App. 1994)	85
<i>In re Caranchini</i> , 956 S.W.2d 910 (Mo. banc 1997)	19, 72-73, 82
<i>In re McBride</i> , 938 S.W.2d 905 (Mo. banc 1997)	114
<i>In re Mirabile</i> , 975 S.W.2d 936, 939, 942 (Mo. banc 1998)	20
<i>In re Ruffalo</i> , 390 U.S. 544 (1968)	77
<i>In re Snyder</i> , 35 S.W.3d 380 (Mo. banc 2001)	20, 113
<i>In re Weier</i> , 994 S.W.2d 554 (Mo banc 1999)	20, 113, 114
<i>In the Interest of T.G. v. A.O.G.</i> , 965 S.W.2d 326 (Mo. App. 1998)	75
<i>James v. Paul</i> , 49 S.W.3d 678 (Mo. banc 2001)	73
<i>Jensen v. Federal Land Bank of Omaha</i> , 882 F.2d 340 (8th Cir. 1989)	76
<i>King General Contractors, Inc. v. Reorganized Church of Jesus Christ of Latter Day Saints</i> , 821 S.W.2d 495 (Mo. banc 1991)	73, 74, 81

<i>L. B. v. State Committee of Psychologists,</i>	
912 S.W.2d 611 (Mo. App. 1995)	85
<i>Logan v. Zimmerman Brush Co.,</i> 455 U.S. 422 (1982)	77
<i>Massey-Ferguson Credit Corp. v. Black,</i>	
764 S.W.2d 137 (Mo. App. 1989)	64
<i>Mathews v. Eldridge,</i> 424 U.S. 319 (1976)	78
<i>Misemer v. Freda’s Restaurant,</i> 961 S.W.2d 120 (Mo. App. 1998)	64
<i>Muthig v. Brant Point Nantucket, Inc.,</i> 838 F.2d 600 (1st Cir. 1988)	76
<i>Russell v. State Board of Registration for the Healing Arts,</i>	
Appeal No. WD54818 (Mo. Ct. App. W.D., Dec. 22, 1998)	77, 78
<i>Scott v. Daniels,</i> 789 S.W.2d 243 (Mo. App. 1990)	73
<i>Schlaifer Nance & Co. v. Estate of Warhol,</i>	
194 F.3d 232 (2nd Cir. 1999)	76
<i>Shaffer v. Terrydale Management Corp.,</i>	
648 S.W.2d 595 (Mo. App. 1983)	75
<i>Silver Chrysler Plymouth, Inc. v. Chrysler Motor Corp.,</i>	
518 F.2d 751 (2nd Cir. 1975)	60, 65, 66-67
<i>Societe Internationale v. Rogers,</i> 357 U.S. 197 (1958)	76
<i>State v. Smith,</i> 32 S.W.3d 532 (Mo. banc 2000)	63-64

<i>T. C. Theatre Corp. v. Warner Bros. Pictures, Inc.,</i> 113 F. Supp. 265 (S.D.N.Y. 1953)	67, 68
<i>White v. Pruiett</i> , 39 S.W.3d 857, 862 (Mo. App. 2001)	85

Other Authorities

Restatement (Second) of Judgments, § 28	75
<i>The American Heritage Dictionary of the English Language</i>	85

POINTS RELIED ON

I.

Mr. Danis did not violate Rule 4-1.9(a) in representing Mr. Beam against Chrysler because the lawsuit was not substantially related to any matter in which Mr. Danis formerly represented Chrysler, in that defective ABS brakes are not substantially related to defective heater cores or defective latches.

Supreme Court Rule 4-1.9(a) *passim*

Massey-Ferguson Credit Corp. v. Black,

764 S.W.2d 137 (Mo. App. 1989) 64

Silver Chrysler Plymouth, Inc. v. Chrysler Motor Corp.,

518 F.2d 751 (2nd Cir. 1975) 60, 65, 66-67

State v. Smith, 32 S.W.3d 532 (Mo. banc 2000) 63-64

Other Authorities:

Cardona v. General Motors Corp., 942 F. Supp. 968 (D.N.J. 1996) 69, 70

Emle Industries, Inc. v. Patentex, Inc., 478 F.2d 562 (2nd Cir. 1973) 68

Misemer v. Freda's Restaurant, 961 S.W.2d 120 (Mo. App. 1998) 64

T. C. Theatre Corp. v. Warner Bros. Pictures, Inc.,

113 F. Supp. 265 (S.D.N.Y. 1953) 67, 68

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The Court should not hold that Mr. Danis is barred under principles of non-mutual offensive collateral estoppel from contesting the district court's holding, affirmed by the Court of Appeals for the Eighth Circuit, that he committed intentional discovery abuse, because the legal requirements for application of non-mutual offensive collateral estoppel are not present, in that (a) the issues decided in the district court and the Eighth Circuit are not identical to the issue presented here and (b) Mr. Danis did not receive a full and fair hearing in federal court.

<i>In re Caranchini</i> , 956 S.W.2d 910 (Mo. banc 1997)	72, 73, 82
<i>In re Ruffalo</i> , 390 U.S. 544 (1968)	77
<i>King General Contractors, Inc. v. Reorganized Church of Jesus Christ of Latter Day Saints</i> , 821 S.W.2d 495 (Mo. banc 1991)	73, 74, 81
<i>Mathews v. Eldridge</i> , 424 U.S. 319 (1976)	78

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U.S. Const., Fourteenth Amendment	76
Mo. Const., Art. I, Section 10	76
Restatement (Second) of Judgments, § 28	75

<i>Belton v. Board of Police Comm'rs</i> , 708 S.W.2d 131 (Mo. banc 1986)	77
<i>Carondelet Savings & Loan Ass'n v. Boyer</i> ,	
645 S.W.2d 24 (Mo. App. 1982)	80
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<i>Cotleur v. Danziger</i> , 870 S.W.2d 234 (Mo. banc 1994)	81
<i>Dabin v. Director of Revenue</i> , 9 S.W.3d 610 (Mo. banc 2000)	78
<i>Donelon v. Division of Employment Security</i> ,	
971 S.W.2d 869 (Mo. App. 1998)	78
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<i>Muthig v. Brant Point Nantucket, Inc.</i> , 838 F.2d 600 (1st Cir. 1988)	76
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Appeal No. WD54818 (Mo. Ct. App. W.D., Dec. 22, 1998)	77, 78
<i>Scott v. Daniels</i> , 789 S.W.2d 243 (Mo. App. 1990)	73
<i>Schlaifer Nance & Co. v. Estate of Warhol</i> , 194 F.3d 232 (2nd Cir. 1999)	76
<i>Shaffer v. Terrydale Management Corp.</i> ,	
648 S.W.2d 595 (Mo. App. 1983)	75
<i>Societe Internationale v. Rogers</i> , 357 U.S. 197 (1958)	76

III.

Mr. Danis’s response to document request No. 25 was accurate, and therefore not in violation of Rule 4-3.4(a) & (d) or Rule 4-8.4(c) & (d), because the request sought documents related to an “agreement” on fee sharing or joint representation and the response stated that “no such documents exist,” in that while there were documents relating to proposals concerning fee sharing and joint representation, the Informant has failed to show by the preponderance of the evidence that any agreement on those subjects was ever reached.

The American Heritage Dictionary of the English Language 85

Gateway Exteriors, Inc. v. Suntide Homes, Inc.,

882 S.W.2d 275 (Mo. App. 1994) 85

L. B. v. State Committee of Psychologists,

912 S.W.2d 611 (Mo. App. 1995) 85

White v. Pruiett, 39 S.W.3d 857, 862 (Mo. App. 2001) 85

Other Authorities:

Supreme Court Rule 4-3.4 82, 83

Supreme Court Rule 4-8.4 82, 83

IV.

Although Mr. Danis's response to interrogatory No. 2 was not completely accurate due to his failure to disclose the meetings with the Blumenfeld lawyers or the meeting with Grosman in New York, he was not in violation of Rule 4-3.4(a) & (d) or Rule 4-8.4(c) & (d), because Mr. Danis honestly understood that those meetings, which he had disclosed to his attorney, were not mentioned in the answer because the answer incorporated the district court's order sustaining many of Mr. Danis's objections, and also incorporated agreements with Chrysler's counsel relating to privilege issues.

Same authorities as prior points relied on

Rule 26(e)(2), Federal Rules of Civil Procedure 97-98

V.

Mr. Danis’s response to interrogatory No. 2 and to Document request No. 12 is not in violation of Rule 4-3.4(a) & (d) or Rule 4-8.4(c) & (d), because it was made honestly after reasonable inquiry, notwithstanding Mr. Danis’s failure to disclose the so-called 42 documents, in that (a) the evidence does not establish that Mr. Danis received or ever knew about the great majority of the 42 documents, which were directed to be delivered to Danis Cooper and not Carey & Danis, (b) many of the 42 documents were not responsive to either discovery request, and (c) almost without exception, the 42 documents were such innocuous and insignificant documents that, if seen by Mr. Danis (which they were not), they would have been immediately forgotten.

Same authorities as prior points relied on

Rule 26(g)(2), Federal Rules of Civil Procedure 100

VI.

Under the totality of the facts and the circumstances of this case, the proper discipline, if any, to be imposed on Mr. Danis is a public reprimand without suspension of his law license.

<i>In re McBride</i> , 938 S.W.2d 905 (Mo. banc 1997)	114
<i>In re Snyder</i> , 35 S.W.3d 380 (Mo. banc 2001)	113
<i>In re Weier</i> , 994 S.W.2d 554 (Mo banc 1999)	113, 114

STATEMENT OF THE CASE

This is an attorney disciplinary action.

The Office of Chief Disciplinary Counsel (the “Informant”) brought an information against Joseph P. Danis in three counts. The first two counts arose out of Mr. Danis’s brief representation of a client against Chrysler Corporation, his former client. Mr. Danis had represented Chrysler while employed as an associate at the former Thompson & Mitchell law firm. The third count arose out of a lawsuit Chrysler brought against Mr. Danis alleging breach of fiduciary duty in Mr. Danis’s representation of his client against Chrysler. The Informant alleged that Mr. Danis intentionally provided false responses to one interrogatory and two document requests served on him in Chrysler’s lawsuit against him.

In this Court, Informant limits its allegations to two claims. The first claim contends that Mr. Danis violated Rule 4-1.9(a) by representing a client against Chrysler, his former client, in a putative consumer class action. *Informant’s Brief* at 32, 39-46. The second claim contends that Mr. Danis violated Rules 4-3.4(a) & (d) and 4-8.4(c) & (d) by intentionally providing false discovery responses in Chrysler’s lawsuit against him. *Id.* at 31, 34-38.

The Disciplinary Hearing Panel (the “Panel”) found Mr. Danis did not violate Rule 4-1.9(a) because the case he brought against Chrysler was not

substantially related to any matter on which he had formerly represented Chrysler. The Panel found, however, that Mr. Danis violated Rules 4-3.4(a) & (d) and 4-8.4(c) & (d) through his discovery responses in Chrysler's lawsuit against him. Relying on *In re Caranchini*, 956 S.W.2d 910 (Mo. banc 1997), the Panel held Mr. Danis was barred from denying he made intentionally false discovery responses in Chrysler's lawsuit. The Panel further held that, even absent *Caranchini*, Mr. Danis had given intentionally false responses in Chrysler's lawsuit to Chrysler's interrogatory No. 2 and document requests Nos. 12 and 25.¹

The Panel recommended Mr. Danis's law license be suspended indefinitely with leave to apply for reinstatement after six months.

¹ The remaining charge in the information alleged Mr. Danis used or disclosed confidential Chrysler information obtained through his former representation of Chrysler. The Panel found Mr. Danis did not use or disclose any confidential Chrysler information, and that Mr. Danis had not violated any of the Supreme Court rules alleged in this regard. Informant has not advanced this charge in a Point Relied Upon in its brief. Therefore, the former charge has been abandoned. *Accord Duncan v. Duncan*, 751 S.W.2d 763, 766 (Mo. App. 1988) (claims not asserted in a point relied upon are deemed abandoned on appeal).

The Informant and Mr. Danis have each taken exception to the findings of the Panel, and Mr. Danis has taken exception to the discipline recommended by the Panel. Although the Informant contends that Mr. Danis should be found guilty of violating Rule 4-1.9(a), the Informant does not contend that the discipline should be any more severe than recommended by the Panel.

Mr. Danis contends the Panel erred in concluding that he intentionally made false discovery responses and, to the extent his discovery responses were inaccurate, the inaccuracies were the result of negligence. Mr. Danis contends that if discipline is appropriate, it should be limited to at most a public reprimand.

STANDARD OF REVIEW

Professional misconduct must be proven by a preponderance of the evidence. *In re Snyder*, 35 S.W.3d 380, 382 (Mo. banc 2001); *In re Weier*, 994 S.W.2d 554, 556 (Mo. banc 1999). Charging a lawyer with professional misconduct does not create a presumption that professional misconduct occurred. *In re Mirabile*, 975 S.W.2d 936, 939, 942 (Mo. banc 1998).

The Panel's findings of fact, conclusions of law, and recommendations are advisory. The Court reviews the evidence *de novo*, independently determining all issues pertaining to the credibility of witnesses and the weight of the

evidence, and draws its own conclusions of law. Supreme Court Rule 5.16; *In re Snyder*, 35 S.W.3d at 382; *In re Weier*, 994 S.W.2d at 556.

STATEMENT OF FACTS

The statement of facts in Informant's brief is inadequate because, although the Informant has the burden of proof, Informant fails to present essentially any evidence supporting Mr. Danis's defenses. Moreover, the Informant includes numerous facts relating to Mr. Danis's alleged use and disclosure of confidential information, claims that Informant has abandoned, even though these facts are not relevant to any of the charges pending before the Court. It appears that these superfluous facts are offered to unfairly prejudice the Court against Mr. Danis.

For these reasons, Mr. Danis offers the following statement of facts as a supplement to Informant's statement of facts.

I. Mr. Danis represented a client against Chrysler in an action alleging defective anti-lock braking systems ("ABS"); Mr. Danis had formerly briefly represented Chrysler in an action alleging defective latches.

Mr. Danis graduated from law school in 1993. He started working at Thompson & Mitchell in August 1993, and passed the bar in October 1993. He worked at Thompson & Mitchell 18 months. [Tr. 799-80]. When he was sued by Chrysler on March 26, 1996, Mr. Danis had been a lawyer less than two years. When his discovery responses were served on October 28, 1996, Mr. Danis had

been a lawyer for almost exactly two years. With the exception of the transactions alleged in this proceeding, no court has ever criticized him or brought any disciplinary action against him.

Charles A. Newman was the partner at Thompson & Mitchell primarily responsible for handling Chrysler's consumer class action defense. As a lawyer, Mr. Danis worked for Mr. Newman on one Chrysler matter. That matter involved the defense of several putative class actions alleging a defect in the rear lift-gate latch of Chrysler minivans. The actions alleged that the latch failed to keep the lift-gate closed in collisions. Mr. Danis worked for a couple of months on the latch case before Mr. Newman dropped him from the file. [Tr. 800-01].²

Mr. Danis sat in on about a dozen telephone conferences relating to the latch cases. He was told that his role in those telephone conferences was "to be seen and not heard and to take down research assignments when they were given to me." Mr. Newman described Mr. Danis's role in the litigation as that of a "butt boy" — "a low level grunt associate to be there at our beck and call to give us pleadings when we need them." [Tr. 802-05].

² As a summer associate, Mr. Danis did some research assignments on the heater core, or *Osley*, case. [Tr. 800-01].

Mr. Danis did not meet with or speak to any Chrysler employee, did not review any Chrysler document other than the documents publicly produced to the National Highway Transportation Safety Administration (“NHTSA”), did not have access to internal Chrysler documents, did not prepare any discovery responses (other than objections), and did not interview any Chrysler experts or witnesses. [Tr. 801-02]. He had no part in formulating Chrysler’s defense. [Tr. 801]. During his employment at Thompson & Mitchell, Mr. Danis was never exposed to any of the documents that Messrs. Newman and Goldfarb testified contained confidential information. [Tr. 805-06].

When Messrs. Carey and Danis left Thompson & Mitchell, they formed their own law firm, Carey & Danis. [Tr. 409]. While a partner in Carey & Danis, Mr. Danis represented Dennis Beam in a putative class action against Chrysler alleging defects in the anti-lock braking system (“ABS”) in some Chrysler minivans and automobiles. While the evidence was disputed as to the duration and extent of Mr. Danis’s involvement in the ABS case, it is undisputed that Mr. Danis was not involved in any heater core or latch cases against Chrysler after he left Thompson & Mitchell.

Mr. Newman conceded that Mr. Danis was not exposed to ABS issues while representing Chrysler. While Mr. Danis worked at Thompson & Mitchell, no

class actions had been filed against Chrysler alleging ABS defects. Mr. Newman never discussed Chrysler ABS problems with Mr. Danis. [Tr. 179].

Three Chrysler lawyers testified at the hearing. They were Mr. Newman; William McLellan, an attorney employed in-house by Chrysler; and Lewis Goldfarb, vice president and general counsel of Chrysler. [Tr. 219, 339]. Each Chrysler lawyer contended that ABS cases were substantially related to the heater core and latch cases because, as stated by Mr. Goldfarb, “[t]he products at issue in [a] class action are almost irrelevant to how we go about defending class actions.” [Tr. 352; *see also* Tr. 142-43, 152-54].

Mr. Newman admitted, however, that in a lawsuit involving a rear latch defect, one does not have to prove anything about the brake system; and in a case involving a brake system, neither the rear latch nor the heater core is relevant. [Tr. 211]. Mr. McLellan admitted that different vendors supplied Chrysler with ABS parts than supplied lift-gate latches. [Tr. 248].

NHTSA is the federal agency that regulates motor vehicle safety. NHTSA often investigates issues relating to vehicle safety. In Mr. Newman’s experience, class actions filed on behalf of consumers often track NHTSA’s investigations. [Tr. 86].

Chrysler’s ABS problem first came to Mr. Danis’s attention when he read an article in the Sunday *Post-Dispatch* August 6, 1995, exposing the problem and

disclosing NHTSA's ongoing investigation. [Tr. 681; Exhibit Z]. The *Post-Dispatch* article, which began on the upper right corner of page one and continued with a full page on page 5A, began:

Iffy Brakes Vex Chrysler

Some Owners Get Buyout Offers: Others Get \$3,000 Repair Bills

The anti-lock braking systems on many Chrysler Corp. minivans built in the 1990s are inexplicably failing, often with no warning.

The National Highway Transportation Safety Administration, which is investigating Chrysler's anti-lock braking systems (ABS), and others involved in auto safety have compiled nearly 2,000 reports of anti-lock brake failure on Chrysler cars and minivans.

Not all failures are reported, and the total number is certain to be much higher.

Although Chrysler has denied that its anti-lock brakes are unsafe, the car maker has also said it does not know why so many are failing....

[Exhibit Z at p. 1.]

Mr. Newman admitted that there was a public disclosure of the NHTSA investigation of Chrysler's ABS before the filing of the *Beam* ABS case. [Tr. 135-

36; *see also* Tr. 359-60 (all Chrysler ABS cases were filed after public announcement of NHTSA's investigation)].

II. Mr. Danis and others determined that accepting an ABS case against Chrysler would not create a conflict of interest with his former representation of Chrysler.

When Carey & Danis were first contacted by Mr. Beam, Mr. Carey researched whether they would be barred from representing Mr. Beam because of their former representation of Chrysler. [Tr. 702].

And I made the determination that since Joey [Danis] and I had no knowledge or information at all concerning antilock brakes, the other cases that we represented Chrysler involved heater cores and allegedly defective rear door latches, that those were not substantially related under my review of the case law and reading of those rules.

[Tr. 703-04].

Mr. Danis, although much less experienced than Mr. Carey, also considered whether there was a conflict of interest with a former client. Based on his personal experiences while at Thompson & Mitchell, Mr. Danis concluded that there would be no conflict of interest in representing a plaintiff in an ABS case against Chrysler. Mr. Danis's experiences included his observation that former Thompson & Mitchell attorneys who had formerly represented the Union Pacific

Railroad in cases brought by workers alleging on the job injuries were not barred from representing other railroad workers alleging on the job injuries against the railroad so long as the claimant's case was not pending when they left Thompson & Mitchell. Mr. Danis concluded that because the ABS case related to an entirely different product and an entirely different matter, it was not substantially related to the heater core or latch cases. [Tr. 823-26].

The Blumenfeld firm is a large law firm located in Clayton, Missouri. In 1995, Evan Buxner, an attorney employed by the Blumenfeld firm, and John Young, the head of Blumenfeld's litigation department, Messrs. Carey and Danis, and David Danis (an attorney and Mr. Danis's father), met to discuss Blumenfeld's possible involvement in Mr. Beam's proposed suit against Chrysler. As part of Blumenfeld's investigation of the proposed case, Mr. Buxner researched whether Carey & Danis's representation of Mr. Beam would create a conflict of interest because of their former representation of Chrysler. Mr. Buxner shared

the results of his research with Mr. Danis. Although the Panel would not permit Mr. Buxner to testify about the conclusion he reached,³ he was permitted to state that Blumenfeld was willing to proceed with the case notwithstanding Carey & Danis's former representation of Chrysler. [Tr. 659-61, 663].

III. When Mr. Danis left Thompson & Mitchell, he only took with him a “form file” containing copies of public and generic documents.

Although the Informant has abandoned its charge that Mr. Danis used or disclosed confidential Chrysler information, it nevertheless discusses in its brief the fact that when Mr. Danis left Thompson & Mitchell, he took copies of documents referred to as his form file. [Exhibit K]. The documents included copies of Chrysler-related materials. [Exhibit 90]. *See Informant's Brief* at 10.

David Wells, an attorney admitted to the Missouri bar in 1965, has spent his entire career with Thompson & Mitchell and its predecessor and successor

³ The Panel erred in excluding the evidence of Mr. Buxner's conclusion regarding the potential conflict of interest, which he had shared with Mr. Danis. It goes without saying that an attorney's state of mind is relevant to the discipline to be imposed for violation of a Supreme Court Rule — intentional violations are more egregious, and thus are to be more severely disciplined, than violations resulting from an honest but careless mistake.

law firms, and was head of Thompson & Mitchell's litigation department while Mr. Danis worked at the firm. [Tr. 774]. Mr. Wells reviewed all of the documents that Mr. Danis took when he left Thompson & Mitchell, and had no problem with him having taken any of the documents:

Generally what I see in here are — there are a few that aren't, but generally documents that are a matter of public record, or sent to opposing counsel if they're not filed with the court. There are a few that are not, but they are more from what I can tell kind of generic memos on conflicts of law or evidentiary questions that might apply to a variety of clients.

[Tr. 782].

Mr. Wells testified that the custom among Thompson & Mitchell lawyers was to take such documents with them when they left the firm. “[M]ost of them are a matter of public record anyway. I don’t see it as a problem and I don't think anyone in the firm would.” [Tr. 783].

Although Mr. Goldfarb testified that Chrysler had provided documents to Thompson & Mitchell that he considered confidential, there is no evidence at all that Mr. Danis took any of these confidential documents when he left Thompson & Mitchell. [Tr. 346-58; *see also* Tr. 263 (testimony of Mr. McLellan)].

IV. Mr. Danis was not exposed to confidential Chrysler information.

While Mr. Danis represented Chrysler, he was exposed to Chrysler-related information. Whether any of this information was confidential, however, is disputed.

Mr. Newman did not testify that Mr. Danis had been exposed to confidential *facts* relating to Chrysler. Rather, he contended that Mr. Danis had been exposed to “confidential” *litigation techniques* and a “confidential” *approach to litigation* purportedly helpful to anyone bringing a class action against Chrysler, without regard to the subject matter of the action. Mr. Newman testified that one of the “confidential” things that Mr. Danis learned by working on the Chrysler cases was how to structure a motion and a brief:

Q. They had worked with you. One other thing that you considered confidential was the fact that when you would file a motion to dismiss a class action while Joey and John worked with you, or that you would file a motion to remand a case — pardon me — to remove a case to federal court, that you didn’t always provide the detail and the basis for the information in a separate brief, but instead you put some of the detail in the body of the motion itself, correct?

A. Yes.

Q. Okay. And you feel — is that something that you feel that you developed from your own experience and knowledge?

A. Yes.

Q. And you feel that that's something you told them that was highly confidential and unique to Chrysler?

A. It was something that I told them in the course of their representation of Chrysler.

Q. Yes. But you also stated in your deposition that you considered that unique, didn't you?

A. Yes.

Q. Okay. Just so there's no misunderstanding, what I'm now talking about is with respect to this uniqueness that you feel existed is that fact that instead of putting all of the details in a brief which accompanied a motion, you would put some of the detail in the body of the motion itself, right?

A. Yes.

[Tr. 172-73].

Another item that Mr. Newman believed was "confidential" was that Mr. Danis knew that Mr. Newman would be defending any case brought against Chrysler and that he knew how Mr. Newman worked:

Q. I think you said that you believed it would be an advantage to our clients in filing the Beam case because they knew that you would be defending the case?

A. And that they had worked with me.

Q. So that they would gain some advantage because they had worked with you, is that what you're telling the panel?

A. Yes.

* * *

Q. Okay. The fact that they had worked with you and understood how you worked, you're not suggesting that that is confidential to them, are you?

A. Yes, I am.

Q. You are?

A. Yes. Because it only occurred in the context of their relationship as associated attorneys at Thompson Mitchell and in the course of working with me on matters for clients.

[Tr. 214-15; *see also* Tr. 142-43 (Mr. Newman's testimony about similarity of defenses in class actions)].

Mr. Newman admitted that he was not aware of *any* information, confidential or otherwise, including the identity of potential expert witnesses, that Mr. Danis used in the ABS case, with a single exception: Mr. Newman

believed that the amended complaint in *Osley*, the heater coil case, was used as a model for the petition in the ABS case. Mr. Newman admitted, however, that the *Osley* amended complaint was a public record on file in the United States District Court for the Southern District of Illinois. [Tr. 133-35, 147-48].

Mr. McLellan testified that Mr. Danis learned the “confidential” fact that “we [Chrysler] would compromise very valid legal and factual defenses if it meant preserving the reputation of the product...” Mr. McLellan did not state how this information was confidential.⁴ [Tr. 237-38].

V. Mr. Danis had limited involvement in the ABS case.

Although Carey & Danis concluded that they were not barred from representing a plaintiff in an ABS case against Chrysler, they nevertheless decided not to be involved in the litigation. There were two reasons for this decision. First, Carey & Danis was receiving many referrals from Thompson & Mitchell, and they did not want to do anything to embarrass their colleagues and friends at that firm. Second, Carey & Danis had filed many cases that had reached the motion to dismiss and discovery stages, “[s]o at that time we were

⁴ The Court can take judicial notice that defendants often settle claims, notwithstanding valid legal and factual defenses, for a variety of business reasons.

very busy and it just didn't make sense to us at that time to take on a big case like this ABS case." [Tr. 701].

For these reasons, Carey & Danis referred *Beam* to the Blumenfeld firm and to David Danis, Mr. Danis's father.⁵ Mr. Buxner of the Blumenfeld firm drafted the petition in *Beam*. He modeled his petition on the *Visintine vs. Saab* petition (not the *Osley* complaint, as assumed by Mr. Newman). *Visintine* was a case filed by Carey & Danis against Saab, an automobile manufacturer unrelated to Chrysler. Mr. Buxner's initial draft listed Carey & Danis as counsel for Mr. Beam. The Carey & Danis name appeared because Mr. Buxner initially had the

⁵ David Danis was a partner in the law firm of Danis Cooper Cavanaugh and Hartweger ("Danis Cooper"), and was an experienced trial lawyer, having practiced law in St. Louis for 43 years. David Danis started his career as a state prosecutor, and later practiced with a defense firm for many years. He represented the Commission on Retirement and Removal and Discipline for the State of Missouri for about ten years, during a portion of which period he also represented the St. Louis Metropolitan Police Department, Internal Affairs Division, investigating and prosecuting police officers. David Danis served as city attorney for the City of Ladue for 30 years. He retired from the practice of law at the end of 2000. [Tr. 543-45].

Visintine petition scanned or retyped in its entirety, and that firm's name had appeared on the *Visintine* petition. [Tr. 664-66]. The petition actually filed in *Beam* did not list Carey & Danis as counsel because they were not participating in the litigation. [Tr. 667].

After David Danis and the Blumenfeld firm filed *Beam*, Richard Paletta, a local attorney and insurance agent, received a telephone call from an attorney at a large law firm representing Chrysler in St. Louis, telling him that Blumenfeld was involved in a potential conflict of interest situation due to its involvement in *Beam* because Messrs. Carey and Danis had been on Chrysler's defense team at Thompson & Mitchell. The call concerned Mr. Paletta because he was Blumenfeld's insurance agent for malpractice coverage. Mr. Paletta contacted the Blumenfeld firm to express his concern. After Mr. Paletta made that call, the Blumenfeld firm withdrew from *Beam*. [Tr. 294-95, 309-10].

When Blumenfeld withdrew from *Beam*, David Danis and Richard Cooper, his law partner in Danis Cooper, felt they needed help in handling the case and asked Carey & Danis to become involved. Although Carey & Danis had previously decided not to be involved, they now agreed to assist Danis Cooper.

Our firm entered their appearance when the Blumenfeld firm withdrew, because my father asked us to help him out on the case because he couldn't handle it by himself.

[Tr. 487].

After Carey & Danis entered their appearance in *Beam*, Mr. Newman contacted Mr. Carey and told him that he believed Carey & Danis had a conflict precluding them from representing plaintiffs in a class action against Chrysler. While Mr. Carey disagreed with Mr. Newman's statements, he agreed to consider withdrawing from *Beam*. [Tr. 712-19].

At the same time Mr. Carey was discussing *Beam* with Mr. Newman, Mr. Danis was in New York City with David Danis on an unrelated case involving all-terrain vehicles. Aware that a New York lawyer named Stan Grossman had filed an ABS putative class action against Chrysler independent of *Beam*, the Danises met with him to discuss his case. Mr. Grossman's investigation was very advanced, and the Danises decided to have the *Beam* plaintiffs join Mr. Grossman's case. When Mr. Danis returned to St. Louis, he learned about Mr. Carey's conversation with Mr. Newman. Carey & Danis decided to withdraw from *Beam* and to dismiss the case without prejudice. David Danis and Mr. Cooper of the Danis Cooper firm then had Mr. Beam and the other plaintiffs they represented added as plaintiffs in Mr. Grossman's Chrysler ABS case pending in federal district court in New Jersey. [Tr. 487-88].

A major factual issue at the hearing concerned whether Carey & Danis truly withdrew from participation in Chrysler ABS cases when *Beam* was

dismissed, or whether they continued to participate surreptitiously. This issue is closely tied to the allegations of discovery abuse.

Carey & Danis were involved in many class action cases with a group of attorneys from various states. Many members of this group, including Danis Cooper, had ABS cases against Chrysler in New Jersey, Mississippi, and Alabama. The group had periodic meetings and conference calls concerning their many common cases. Because Carey & Danis did no work on any ABS case after *Beam* was dismissed, Mr. Danis did not participate or remain present for the portion of the group's discussions concerning Chrysler cases. To accommodate Carey & Danis's non-participation in the Chrysler cases, the group's discussions about Chrysler was reserved for the end of the group's meetings and calls, and both Mr. Carey and Mr. Danis would be excused before Chrysler was discussed. [Tr. 558-60, 570, 717-18].

David Danis described the procedure followed by the group in respect of Carey & Danis's decision not to be exposed to information concerning Chrysler cases:

[W]henver we had meetings with these group of lawyers, Deakle, Phebus, Chestnut, where we were talking about maybe 10 or 15 cases we were handling together, and we would sit around in a conference room table here in our office in St. Louis, or maybe a conference room in

Mississippi, and we would talk about all of our cases, and when we got to this case [the Chrysler cases] Joey and John would get up and walk out of the room.

[Tr. 561; *see also* Tr. 559-61].

VI. The handling of Chrysler ABS-related correspondence after Mr. Danis stopped working on the case.

Carey & Danis shared office space with Danis Cooper. [Tr. 446, 738]. The office had a single fax machine. Although Carey & Danis ceased any involvement in the Chrysler cases, Danis Cooper remained very actively involved. As a result, Carey & Danis took steps to ensure that they would not receive or see Chrysler ABS correspondence that arrived at the office and fax machine that they shared with Danis Cooper. Carey & Danis instructed the office staff to give any correspondence or other documents related to Chrysler to Danis Cooper only. [Tr. 794-95]. These instructions were in place well before Chrysler sued Carey & Danis, and Carey & Danis gave no new instructions on the handling of these documents after Chrysler sued them. [Tr. 441-43, 794-95].

David Danis testified about these procedures:

Q. During the period that the Carey and Danis law firm officed with your firm, will you tell the panels something about the office procedures with

respect to incoming — the incoming faxes and documents that you've described.

- A. Well, a lot of the faxes that would come in on these class action cases would come — the ones that came in from the lawyers that were a part of the group, they would send one fax addressed to all of us, typically, you know, let's say just in the case that they were sending it on.

And then the office would then make the appropriate copies and deliver one to me, one to John, one to Joey. And then I would read mine, and if these were cases that I was not the active person on, I would throw it away. And the Chrysler case, the staff was instructed that they were only supposed to go to me.

[Tr. 571-72].

Lawana Hotop is employed by Carey & Danis. She began working for them in June, 1995. During the relevant time period, 1995 and 1996, Ms. Hotop also worked for Danis Cooper as Mr. Cooper's secretary. At the time of the hearing, she was a part-time employee of Carey & Danis and was in her second year of law school at St. Louis University. [Tr. 788-89]. Mr. Carey was not computer literate, and Ms. Hotop did all of his typing. [Tr. 791]. The only work she ever did on a Chrysler ABS case for Carey & Danis was an entry of appearance. [Tr. 792-93]. Although she believes she was familiar with every matter Carey & Danis

worked on, she was not aware of any work done by Carey & Danis in any Chrysler case after their entry of appearance in *Beam*. [Tr. 792, 796].

Ms. Hotop testified that Carey & Danis received an extraordinary number of faxes in 1995 and 1996. Some days, they would receive a stack of up to a foot of faxes and Federal Express packages combined. [Tr. 792]. Before working for Carey & Danis, Ms. Hotop had worked for Rabbitt, Pitzer & Snodgrass, an insurance defense firm. Although Rabbitt Pitzer had fifteen attorneys, each with many files, Carey & Danis — with only two attorneys — received many more faxes than Rabbitt Pitzer ever did. [Tr. 793-94].

Ms. Hotop testified that on one occasion, she saw a Chrysler ABS fax sitting in Mr. Danis's in-box. She removed the fax and delivered it to Mr. Cooper, and reminded the receptionist that Carey & Danis were not to receive any Chrysler ABS faxes. [Tr. 796].

VII. The alleged discovery abuse.

While the Panel found that Mr. Danis did not have a conflict of interest and did not use confidential Chrysler information, it did find that he provided false discovery responses. While Mr. Danis agrees that the answer to interrogatory No. 2 and the response to document request No. 12 were inaccurate because

they were incomplete, the inaccuracy was not the result of an intentional deception.⁶

Each of the allegedly inaccurate discovery responses and the evidence relating to them are discussed in detail in the argument section below. In addition, however, regarding whether Mr. Danis had an intent to deceive Chrysler in his responses to its discovery, the Court should note that Mr. Danis made a full disclosure of his meetings with the Blumenfeld lawyers in St. Louis, as well as about his meeting with Mr. Grossman in New York, on the first day of his first deposition taken by Chrysler in its lawsuit against him. (Mr. Danis's deposition was the first deposition taken in Chrysler's lawsuit.) This testimony was given March 7, 1997, long before Chrysler obtained the so-called 42 documents in later discovery.

Mr. Danis was the partner at Carey & Danis who handled the production of documents in response to discovery. When they were sued, Mr. Danis searched their offices and gathered every document that mentioned Chrysler and everything that they had copied from Thompson & Mitchell, as well as the

⁶ Mr. Danis does not agree that the response to document request No. 25 was inaccurate. If the Court finds that this response was inaccurate, this inaccuracy was also not intentional.

correspondence with Mr. Newman, and delivered those items to their insurance company or their lawyer. [Tr. 807-08].

Mr. Danis's testimony is critical to an understanding why he believed that the interrogatory answers and document responses, albeit incomplete in the sense that they did not contain all of the information he knew, were nonetheless complete and accurate within the context of Chrysler's lawsuit.

The discovery process in the Chrysler versus Carey & Danis case was highly unusual. It is the most acrimonious litigation I've ever been involved in and unfortunately I was a party in the litigation. Every single interrogatory I think was objected on both sides. And there were numerous discovery opinions regarding what was relevant and what was not.

And the big problem in the case is everything theoretically could have been subject to attorney-client privilege. At one time I represented Dennis Beam. Earlier time I represented Chrysler. And sifting through these issues was a very cumbersome process.

[Tr. 809].

Q: Were there orders issued by the court sustaining objections made by your attorney, to your knowledge?

A: Yes. As a matter of fact, there was a detailed order that Judge Perry entered regarding — it was a lengthy detailed order regarding the discovery dispute.

Q: Now prior to answering the interrogatories and [document] requests and the various items in the discovery, had you met with your attorney?

A: On numerous occasions.

Q: Had you told him about every conversation that you had had with, for example, Mr. Buxner at the restaurant and the other conversations relating to this?

A: Absolutely.

Q: When you received the draft discovery, was it your understanding — what was your understanding as to what the scope of what was contained in those answers?

A: My understanding was my lawyers went through the documents that I provided them. They — inclusive in that they took that information, along with the information that I gave them in our interview, and they formulated our discovery responses.

Q: And did you understand any relationship between discovery responses they formulated on your behalf and the judge's order on discovery motions?

A: My understanding was that the responses incorporated the order and incorporated any agreements as to what was going to be considered privileged or not privileged.

[Tr. 810-11].

Q: Now subsequently were you deposed?

A: Yes.

Q: And were you asked questions in your deposition about the same matters that — or largely the same matters that were asked about in the interrogatories?

A: Yes.

Q: And at that time when you were asked those questions did your lawyer object to those particular questions either on the grounds of privilege or one of the other grounds raised in the objections filed with the court?

A: No.

Q: Did you answer the questions then?

A: Yes.

Q: And did you provide in your testimony deposition the same information you provided to your lawyer previously in the interviews?

A: Yes.

[Tr. 817-18].

At this point in the testimony, the Illinois Panel sustained an objection on grounds of relevance to any evidence of the testimony given by Mr. Danis during his March 7, 1997 deposition. Mr. Danis's counsel explained that the evidence was relevant to intent to deceive:

I believe it is relevant because the answers that were sent in these interrogatories prepared by the attorney and [that] the client's understanding was that those answers reflected the limitations on discovery ordered by the judge based on the motions.

When he was then deposed on the same questions and his lawyer did not object, he then gave the answers; the same information that he provided to his attorney.

The intent to — to — to — perjury and filing false discovery requires intent to deceive. If you believe the answer you had, even though incomplete, are appropriate because your lawyer prepared them in light of court orders restricting discovery, you did not intend to deceive.

When he was then deposed, asked the same questions without objection, he gave full and complete answers; the same answers he provided to his attorney, by this time no objection and no court order. And it goes directly to whether or not he committed an offense that should result in sanctioning of his license.

[Tr. 818-19]. The Panel, under the direction of the chairman of the Illinois panel, nevertheless sustained the objection on relevance grounds, and an offer of proof was made and rejected. [Tr. 818-21].

The deposition testimony Mr. Danis sought to have admitted in the hearing discussed in detail his conversations with the Blumenfeld lawyers prior to the *Beam* suit being filed. [*Danis Depo.* at 16; *see also id.* at 13-15].

There's, there's one meeting, I know, that stands out that I remember, that was a lunch meeting that was held at Cardwell's. The partner from Blumenfeld, Evan Buxner, Richard Cooper, John Carey and myself were present. The prior meetings were initially held without the Blumenfeld firm and the Blumenfeld firm was subsequently brought into the investigation, in the preliminary meetings with the Danis, Cooper firm and the Carey & Danis firm, there was discussion of whether Mr. Beam had a viable case against Chrysler and whether it could be pursued as a class action. There were some additional discussions addressing the issue of whether Carey & Danis was going to participate in the prosecution of that lawsuit...

[*Danis Depo.* at 21]. Mr. Danis also testified in his deposition to his pre-suit conversation with the Blumenfeld lawyers regarding their research into the

potential conflict of interest arising out of Carey & Danis's former representation of Chrysler. [*Danis Depo.* at 43-44].

Mr. Danis's deposition testimony in Chrysler's lawsuit also detailed his meeting with the Grossman firm in New York. When asked in his deposition about whether he had discussed Mr. Newman's letter to Mr. Carey with Mr. Carey, Mr. Danis testified:

A: We weren't sure what we were going to do. We were transferred to the County and we'd had some discussions with Stan Grossman and Brian Hufford about moving our case to New York. It seemed — before we got the letter, there was a strong likelihood that we were going to move the cases.

Q: Who is Stan Grossman?

A: He's an attorney in New York.

Q: And Brian Hufford, who is he?

A: He's an attorney in New York, at the firm of Pomerantz, Grossman.

Q: And what — I'm sorry. What involvement did Mr. Grossman or Mr. Hufford have in this?

A: It's my understanding that they filed a similar class action lawsuit in Federal Court in New Jersey and that they had contacted us, because I think they maybe read about us in the paper, and that they proposed that

we move our Plaintiffs up there and prosecute the case under Magnuson-Moss.

Q: Did you have any discussions at this time with Mr Grossman or Mr. Hufford?

A: Yes.

[*Danis Depo.* at 98-99].

Q: And you, yourself, were involved in numerous telephone conversations with the lawyers from the Pomerantz firm and met with them personally, is that right?

A: That's not right. I met with them personally, but I don't think I was involved in any of the phone conversations.

Q: All right. The personal meeting occurred in New Jersey?

A: New York.

Q: In New York. And when did that meeting occur?

A: I don't know the exact date. It was sometime in early December, 1995.

Q: Your recollection is that that meeting was just about the time that this letter came from Mr. Newman?

A: My recollection is that I saw, the first time I saw the letter was when I got back from my trip to New York.

* * *

Q: Well, what was discussed in the New York meeting that related to Chrysler?

A: We discussed the status of the Beam case, how it had been transferred to the County, we discussed Magnuson-Moss, the need for 100 plaintiffs, we discussed the New Jersey venue, we discussed the advantages of working together on the case. I think that we discussed the Hattiesburg case, moving those Plaintiffs up there as well, and we discussed the advantages to consolidation.

[*Danis Depo.* at 106-07].

In addition to these topics, in his deposition Mr. Danis also testified about his conversations with Mr. Deakle concerning ABS lawsuits. [*Danis Depo.* at 122].

Although Informant alleges that 42 documents were sent between Carey & Danis and other members of the group concerning Chrysler ABS cases, this number is speculative and incorrect. The Informant's count is based on the number of documents produced by members of the group in discovery during Chrysler's lawsuit against Carey & Danis. As discussed in the argument below, many of the documents did not relate to Chrysler ABS cases at all. Those that did relate in some respect to Chrysler ABS were entirely unmemorable, and, as discussed above, were delivered to Danis Cooper and not Carey & Danis.

It is unclear which of these documents were actually transmitted to Carey & Danis, as many of the documents produced in discovery merely had associated with them fax cover sheets listing attorneys' names, including the names of Messrs. Carey or Danis. Just because Mr. Danis's name appeared on a fax cover sheet, however, does not mean that the document was actually faxed to him.

Mr. Danis has no recollection of receiving most of the disputed documents. [Tr. 458-465]. Mr. Danis believes he received Exhibit 105, a letter from Mr. Phebus referencing a lawsuit pending against Chrysler for defective paint. Mr. Danis wrote back to Mr. Phebus "and told him I wasn't working on Chrysler matters, and to stop sending me letters regarding Chrysler, correspondence regarding Chrysler." [Tr. 462, 464-65]. Mr. Danis also made several telephone calls to members of the group asking them not to send him copies of documents relating to any Chrysler case. [Tr. 484].

Regarding the transmission of documents, Mr. Phebus, the most prolific writer in the group, testified:

Q: Have you — have you ever sent any correspondence or documents to John Carey or Joe Danis regarding litigation against Chrysler?

* * *

A: I certainly have sent a letter to Joe Danis concerning drafting a remand motion in the Olivia case.^[7] That letter also went to counsel of record and contained various thoughts and observations I had concerning certain issues. And Joe wrote me back and said I am not going to be working on this file....^[8]

Q: Okay. Other than that document, have you ever sent any correspondence or documents to Carey or Joe Danis pertaining to litigation against Chrysler?

A: I may have inadvertently, I don't know, because I send a lot of things out by fax, and my secretary has a fax form she uses, different forms she uses from time to time. And having somebody go through the file for me, I observed that the file copies of the transmittal sheets were not checked as to who they went to. So one could not ascertain, in my opinion, from

⁷ Exhibit 105. The *Olivia* case did not involve ABS brakes. It involved *defective paint* on Chrysler vehicles. Documents relating to *Olivia* and other Chrysler paint cases, many of which are included in the Informant's list of 42 documents, were not responsive to the discovery requests at issue. See the discussion in the argument below.

⁸ Carey & Danis chose not to work on *Olivia* consistent with their decision not to work on any Chrysler cases. [Tr. 430].

those sheets who — whether they went to everybody or who they went to....

And the form, the transmittal form, which is the preprinted form she has, had other attorneys, including Carey and Danis, on the form, and it's not checked as to who it was sent to is what I'm saying. So I guess it raises in my mind the possibility that those may have been inadvertently transmitted by either the receptionist or my secretary to Mr. Danis or Mr. Carey.

Phebus Depo. at 42-43.

Further testimony confirmed that whatever documents the group sent to Carey & Danis mentioning Chrysler were sent by mistake due to their involvement in these 20 to 40 other cases, and not because Carey & Danis were involved in any Chrysler ABS case. Mr. Phebus explained:

[T]hey were involved in other litigation with us, and I think the secretary sometimes just because we were involved, are involved in other litigation together had just kind of sent it to everybody that was customarily involved in litigation.

* * *

You know, it's unfortunate, but — but Deakle and Sims and myself were sending things to John and Joey and that have been produced that we

shouldn't have. It wasn't their fault. It was our fault, but there wasn't any assistance that came back from them or information that would be of assistance to us that came back to us from them.

Phebus Depo. at 75, 160. "We shaped up our act and endeavored to do a better job of complying with John and Joey's request that they not be copied on Chrysler documents..." *Phebus Depo.* at 196.

Another attorney in the group, John Deakle, testified about Mr. Phebus's writing habits:

Let me say that Mr. Phebus is incredibly prolific. He is a born again plaintiff's lawyer, having been a defense attorney. If you go to his office he has three or four secretaries that literally sit around a desk, each with a computer on it. It would not be unusual for me to receive 30 or 40 faxes a day from Mr. Phebus, sometimes more than that. I couldn't keep up. Eventually we just started putting them in a box. I love Mr. Phebus, but ... I received so much from him I can't remember.

Deakle Depo. at 73.

On one occasion, however, Mr. Phebus intentionally sent Carey & Danis a copy of Chrysler-related document. Discussing Exhibit 133 and an order that was originally attached to it, Mr. Phebus testified:

Q: And did you send that to John Carey and Joseph Danis?

A: Yes.

Q: Why?

A: Because I thought they would enjoy Judge Gillmore's order, because I knew they were being sued by Chrysler, and I thought it might be a little moral boost to them to see an order strongly adverse to Chrysler.

Phebus Depo. at 176.

David Danis testified that, in his opinion, given the volume of correspondence generated in class actions, it would be easy for Mr. Danis to have no memory of documents received in cases on which he was not working. David Danis, a very experienced trial lawyer, found that a class action practice generates considerably more documents than does a more typical litigation practice. His experience in consumer class action practice is that routinely there are similar lawsuits filed in different courts, and that the plaintiffs' counsel either have their cases combined by the courts or, alternatively, voluntarily cooperate with each other. As a result, one receives copies of pleadings and discovery in many, many different but similar lawsuits. On a typical busy day, David Danis will receive 50 different documents ranging anywhere from five to fifty pages long. [Tr. 548-49].

At the time the Chrysler suit was pending, David Danis was involved in about 50 different class actions. Each of those cases might have ten or twenty

lawyers involved, each sending out copies of what they are doing. In most of the class actions in which he is involved, some other lawyer is appointed lead counsel by the court. David Danis has a lead position in only ten to fifteen percent of his cases. It was his usual practice to discard faxes and other correspondence when one was not the responsible attorney on the file. [Tr. 550-51, 571-72].

VIII. Mr. Danis's failure to produce the Grossman letter or to supplement his interrogatory answer and responses to document requests was the result of negligence on the part of his attorneys and not an intent to deceive or defraud.

Lou Basso is a lawyer who was retained by Carey & Danis to represent them in Chrysler's lawsuit against them. Carey & Danis's insurance company, CNA, subsequently refused to engage Mr. Basso, and ultimately hired Rick Wuestling to provide them with a defense. While Mr. Basso did not formally withdraw from the case when Mr. Wuestling was retained, he ceased active participation at that time. [Tr. 497-500].

Soon after Mr. Basso was retained, and before he was supplanted by Mr. Wuestling, Carey & Danis gave him the original of the Grossman letter along with other documents. [Tr. 466-68]. Mr. Basso immediately made all of Carey & Danis's documents, including the Grossman letter, available to Chrysler's lawyers

for their review. Chrysler's lawyers failed to review the documents at that time. [Tr. 500].

Mr. Basso testified that when CNA refused to authorize his retention and hired Mr. Wuestling in his place, he gave Mr. Wuestling the documents he had received from Carey & Danis. Unfortunately, through an oversight on Mr. Basso's part, he failed to deliver to Mr. Wuestling the Grossman letter and several other documents. As a result of this error, Mr. Wuestling did not have and never produced the Grossman letter during discovery. [Tr. 466-68].

Mr. Wuestling's testimony agreed with Mr. Basso. Mr. Wuestling testified that when he began to represent Carey & Danis in Chrysler's lawsuit, he received documents from Mr. Basso. These documents did not include the Grossman letter. Subsequent to the fiasco in federal court, Mr. Basso told Mr. Wuestling that he had had the Grossman letter in his files, but had forgotten about it. [Tr. 849-50, 859].

After Carey & Danis's insurance coverage ran out, Mr. Wuestling withdrew from the case and they rehired Mr. Basso as their attorney. On the fourth day of trial, Mr. Basso, unaware that the Grossman letter had not been produced in discovery, decided to use the letter at trial. The document was still in a notebook Mr. Basso's paralegal had prepared for him at the very beginning of the lawsuit. Mr. Basso testified that he showed the Grossman letter to Carey & Danis during

the evening of the third day of trial, “[a]nd they looked at me shocked. They didn’t even remember writing the letter.” [Tr. 466-68, 512-14].

During Chrysler’s lawsuit, Chrysler served subpoenas on the members of the group. These subpoenas yielded the 42 documents discussed in Informant’s brief. After the 42 documents were discovered, Mr. Wuestling did not think it was necessary to supplement Carey & Danis’s answers to discovery, and, in particular, their answers to interrogatory No. 2. Mr. Wuestling testified that, at the time, he felt that if he was going to supplement the discovery responses, he would do it after Chrysler took its supplemental depositions of Messrs. Carey & Danis. Instead, Mr. Wuestling testified, “I guess I never got around to doing it.” [Tr. 857-58].

Mr. Wuestling testified that throughout his representation of Carey & Danis, even after the discovery of the 42 documents, he never believed that they were withholding information from him or that they had lied to him, either in their responses to Chrysler’s discovery or otherwise. [Tr. 859-60].

IX. Factors in mitigation.

Mr. Danis has not been the subject of any other Bar complaints, and has had an unblemished record since the events that are the subject of this proceeding. [Closing Argument Tr. 26-27; see *Informant’s Brief* at 30 (no history of discipline)].

As a result of the judgment entered against them in Chrysler's lawsuit, Carey & Danis were required to pay Chrysler \$854,000, the amount of the legal fees and expenses Chrysler incurred in defending all of the ABS litigations and in prosecuting its suit against Carey & Danis. Carey & Danis paid the judgment to Chrysler in full. [Tr. 827-28].

Mr. Danis is actively engaged in two charities: Boys Hope, a Catholic charity that pays for gifted inner city children's educations through college, for whom he has raised money and organized charitable events; and a committee, run in the name of the Archbishop of St. Louis, to raise money for inner city charities. For several years he provided *pro bono* legal services on a regular basis, one day a month, at Kingdom House, a facility located in a public housing area in St. Louis. Carey & Danis also occasionally works on some civil rights matters where they have no anticipation of earning revenues. [*Danis Depo.* taken Sept. 21, 2000, in the Illinois disciplinary proceeding at 17-20].

Opinion and reputations evidence concerning Mr. Danis's integrity was offered at the hearing.

George Fitzsimmons is a lawyer who has been in trial practice in the St. Louis area for 34 years. He is active in the local, state, and national voluntary bar associations; is a member of the America College of Trial Lawyers, the Inter-

national Academy of Trial Lawyers, and the International Society of Barristers; and received the Lon Hocker Award and other honors. [Tr. 531-34].

Mr. Fitzsimmons testified that Mr. Danis had an excellent reputation for both honesty and ethical conduct. [Tr. 536-37]. Mr. Fitzsimmons has read the decisions of the federal courts in Chrysler case against Mr. Danis. Although his opinion about Mr. Danis has not changed, he recognizes that the events have damaged Mr. Danis's reputation. [Tr. 537]. Having reviewed many of the documents in the case, including the depositions, Mr. Fitzsimmons has not changed his opinion about Mr. Danis's honesty and ethical behavior. [Tr. 541-42].

Importantly, Informant's counsel, in oral argument before the Panel, admitted that Mr. Danis did not pose a danger to the public. "I don't think it is reasonably likely Joe or John is going to go out and do anything like they did here ever again. I don't think the public is going to be in a position to face this type of misconduct in the future." [Closing Argument Tr. 27].

SUMMARY OF THE ARGUMENT

The Panel correctly determined Mr. Danis's representation of Mr. Beam in his suit against Chrysler did not violate Rule 4-1.9(a), which prohibits an attorney from bringing an action against a former client in a matter substantially related to the matter in which the lawyer represented the former client. A

matter alleging defective ABS brakes is simply not substantially related to a matter alleging defective heater cores or defective latches.

The Panel erred in determining Mr. Danis violated Rules 4-3.4(a), 4-3.4(d), 4-8.4(c), and 4-8.4(d) through alleged discovery abuse. The Informant has not established by a preponderance of the evidence the Mr. Danis knowingly, intentionally, or recklessly failed to provide truthful and accurate responses to Chrysler's discovery requests in its lawsuit against him. While Mr. Danis's discovery responses may have been marked by carelessness and negligence — both on his own part and on the part of his two lawyers, Messrs. Basso and Wuestling — this carelessness and neglect ultimately harmed no one other than himself and does not merit any sanction more severe than a public reprimand.

ARGUMENT

- I. Mr. Danis did not violate Rule 4-1.9(a) in representing Mr. Beam against Chrysler because the lawsuit was not substantially related to any matter in which Mr. Danis formerly represented Chrysler, in that defective ABS brakes are not substantially related to defective heater cores or defective latches.**

Supreme Court Rule 4-1.9(a) states:

A lawyer who has formerly represented a client in a matter shall not thereafter:

(a) represent another person in the same or a substantially related matter in which that person's interests are materially adverse to the interests of the former client unless the former client consents after consultation

It is undisputed that Mr. Danis's representation of Mr. Beam in the ABS case was materially adverse to the interests of Chrysler, his former client. The key issue, therefore, is what is meant by the phrase "substantially related," as used in Rule 4-1.9(a).

The phrase is undefined in the case law — in reading the published opinions on the issue, the courts appear to assume that, like obscenity, one knows it when one sees it; with one federal appellate judge acknowledging, "In

this context, the question of ‘a substantial relationship’ between the two matters is not one whose dimensions are delineated with mathematical precision.” *Silver Chrysler Plymouth, Inc. v. Chrysler Motor Corp.*, 518 F.2d 751, 758 (2nd Cir. 1975) (Adams, J., concurring). The meaning of the phrase “substantially related” as used in the rule is made clearer, however, by review of the Comment to the rule.

The Comment to Rule 1.9 states:

The scope of a “matter” for purposes of Rule 1.9(a) may depend on the facts of a particular situation or transaction. The lawyer’s involvement in a matter can also be a question of degree. When a lawyer has been directly involved in a specific transaction, subsequent representation of other clients with materially adverse interests clearly is prohibited. On the other hand, *a lawyer who recurrently handled a type of problem for a former client is not precluded from later representing another client in a wholly distinct problem of that type* even though the subsequent representation involves a position adverse to the prior client.... The underlying question is whether the lawyer was so involved in the matter that the subsequent representation can be justly regarded as a changing of sides in the matter in question....

Rule 4-1.9, Comment (emphasis added).

Here, even if the Court determines that the defense of consumer class actions is a “type of problem” that Mr. Danis recurrently handled for Chrysler (even though he only did Chrysler work for about two months), the Comment to the rule expressly states that he is not precluded from taking an adverse position against Chrysler “in a wholly distinct problem of that type.” The class actions in which Mr. Danis represented Chrysler involved problems with the heater core of Renault Alliance cars (as a summer law clerk) and problems with gate latches in minivans (for two months as a first-year associate). The case in which Mr. Danis represented Mr. Beam, albeit briefly, involved a problem with anti-lock braking systems. This problem was distinct from those in which Mr. Danis represented Chrysler, and therefore the matters are not substantially related.

In *State v. Smith*, 32 S.W.3d 532 (Mo. banc 2000), this Court held that a lawyer was not barred from prosecuting a death penalty case, notwithstanding that the lawyer had formerly represented the defendant in two criminal cases, even though evidence touching upon both of the former cases was admitted in evidence in the murder trial. The Court held that the subsequent adverse representation was not prohibited because there was no central issue common to the cases, holding:

This Court is not persuaded that it should abandon Rule 4-1.9, under which the various representations that allegedly result in a conflict of interest must be connected by something substantially more than the prosecutor himself if they are to be substantially related. A focused approach, where the court examines the relevant facts of the case in order to determine whether the various matters are substantially related, is preferable.

Id. at 542-43.

The Missouri Court of Appeals analyzed the issue of “substantially related matter” by examining what the issues would be at trial. *Massey-Ferguson Credit Corp. v. Black*, 764 S.W.2d 137, 141 (Mo. App. 1989). In *Massey-Ferguson*, the lawyer had represented the former clients in their acquisition of a farm. In a later action, the lawyer sued the former clients on behalf of a new client for repossession of farm equipment. The former clients objected, contending that the former representation was substantially related to the current suit and that the lawyer had learned about their “financial situation” through his representation of them. The Court of Appeals rejected the contention that the lawyer should have been disqualified, stating: “The farm and/or appellants’ financial situation were not issues in the trial.” *Id.*; see also *Misemer v. Freda’s Restaurant*, 961 S.W.2d 120, 122 (Mo. App. 1998) (refusing to disqualify lawyer

from bringing suit on a note against former client where lawyer had prepared incorporation papers and drafted a real estate contract for former client, even though former client asserted that the real estate transaction was the basis for the note).

Similarly, in the present case, a case involving allegedly defective ABS brakes is not substantially related to cases involving allegedly defective heaters or allegedly defective door latches. The products, their function, their design, the relevant technical experts, the component suppliers — all of these relevant facts are different case by case.

The Second Circuit's decision in *Silver Chrysler* case is particularly on point. In *Silver Chrysler*, plaintiff's attorney, Dale A. Schreiber, was formerly an associate in the Kelley Drye law firm, a law firm that had served as Chrysler's primary outside legal counsel for many years. Although Kelley Drye had an intense involvement in all aspects of Chrysler's legal life, including the defense of actions brought against it by automobile dealers, Mr. Schreiber was primarily involved in four or five Chrysler cases that did not involve claims by automobile dealers, although he did engage in some "brief, informal discussions on a procedural matter or research on a specific point of law" in automobile dealer cases. *Silver Chrysler*, 518 F.2d at 752-53, 756.

Mr. Schreiber left Kelley Drye and formed his own law firm. He sued Chrysler on behalf of a automobile dealer. Chrysler sought to have Mr. Schreiber disqualified, with Chrysler characterizing Mr. Schreiber's involvement in its representation in terms similar to those its witnesses used in these proceedings to describe Carey & Danis's involvement while employed at Thompson & Mitchell — that is, by statements strong in conclusory characterizations, but weak in details and facts. The Second Circuit discounted Chrysler's evidence, stating:

Chrysler was in a position here conclusively to refute Schreiber's position that his role in these cases had been non-existent or fleeting. Through affidavits of those who supervised Schreiber on particular matters or perhaps through time records, the issue was capable of proof. Chrysler instead chose to approach the matter in largely conclusory terms.

Example from a Kelley Drye (Chrysler) affidavit:

“[Schreiber] obtained unmeasurable confidential information regarding the practices, procedures, methods of operation, activities, contemplated conduct, legal problems, and litigations of [Chrysler]”

Id. at 757 & n.8. The Second Circuit concluded:

Neither Chrysler nor any other client of a law firm can reasonably expect to foreclose either all lawyers formerly at the firm or even those who

have represented it on unrelated matters from subsequently representing an opposing party.

Id. at 757.

Here, the Panel correctly concluded that an ABS brake case is not substantially related to a heater core case or to a rear latch case. The Court should find that Mr. Danis did not violate Rule 4-1.9(a) by representing a client in a case alleging defective ABS brakes against his former client, Chrysler.

The authorities cited by the Informant do not support a contrary result.

T. C. Theatre Corp. v. Warner Bros. Pictures, Inc., 113 F. Supp. 265, 268 (S.D.N.Y. 1953), announced the “substantial relationship” test, but did not define it. Respondent agrees with the holding in *T. C. Theatre* that, where a subsequent representation is substantially related to a former representation, the former client is not required to show that the lawyer received confidential information during the former representation. Informant’s argument begs the question, however, because it fails to analyze, much less establish, that the ABS case is substantially related to the heater core and latch cases. In *T. C. Theatre*, in contrast, it was clear beyond dispute that the matters were substantially related — in fact, they were exactly the same:

But a comparison of the plaintiff’s complaint with the findings of fact, conclusions of law and decree in the Paramount case shows beyond

peradventure that the plaintiff charges and relies upon the same conspiracy which the government established against the defendants in the Paramount case. The same distributor-defendants are named in both suits. The conspiracy charged in the two cases traverse substantially the same periods. Cooke in opposing a motion to dismiss the original complaint (drafted by him) categorically stated that the essential allegations charging a conspiracy by Universal and others against independent exhibitors, such as the present plaintiff, were pleaded *in haec verba* from the opinion and decree in the Paramount case. Thus, charges now made by Cooke on behalf of his present client against Universal parallel those against which he previously had defended Universal.

Id. at 269. The same, or even a similar, circumstance does not exist here.

Emle Industries, Inc. v. Patentex, Inc., 478 F.2d 562, 571 (2nd Cir. 1973), also involved a situation where the subsequent representation involved *exactly the same issue* as the prior representation. In both cases, the key issue in a patent case was whether a corporate parent which owned 50% of a subsidiary in fact exercised dominant control over that subsidiary. “It is clear, therefore, that there are matters in controversy in each case — both the nature and scope of

control, if any, exercised by Burlington over Patentex — that are not merely ‘substantially related,’ but are in fact identical.” *Id.* at 572.

Because the issues in the subject litigations in *T. C. Theatre* and in *Emle*, respectively, were *identical*, those cases provide no guidance about how to determine whether two matters are *substantially related*, which is something less than identical. These cases, therefore, are not helpful authority and thus do not support the Informant’s contentions.

The final case cited by Informant, a district court case from New Jersey, is the only authority cited possibly supporting Informant’s contentions. In *Cardona v. General Motors Corp.*, 942 F. Supp. 968 (D.N.J. 1996), the district court held, relying on a pre-Model Rules decision of the New Jersey Supreme Court (and holding contrary to a written opinion of the New Jersey Supreme Court Advisory Committee on Professional Ethics), that an attorney who had worked exclusively representing GM in the defense of “lemon law” suits for the preceding five years could not immediately change sides and represent plaintiffs in “lemon law” suits against GM. *Id.* at 972-73. In reaching its decision, the district court held, similar to Informant’s contention here, that because the facts of an individual “lemon law” case, “do not ‘drive’ the decision to settle, or litigate a given case ... the absence or presence of a ‘factual nexus’ between the former representation and the current one, cannot be dispositive.” *Id.* at 973.

Cardona should not be used as a basis for finding Mr. Danis to have violated Rule 4-1.9(a). The decision is inconsistent with the Missouri precedent cited above. It is also quite different on the facts. In *Cardona*, the lawyer moved to a law firm that was on the other side of many of the cases he himself was defending for GM. The lawyer believed there was a conflict and therefore sought GM's consent to a waiver of conflict. When GM failed to consent, his new employer established an "ethics screen" to prevent the lawyer from having contact with its cases against GM. *Id.* at 970-71. Finally, after the magistrate judge determined that the lawyer's disqualification was imputed to the law firm, the lawyer left the firm. Thus, the arguments made to the district judge for reversal of the disqualification of the law firm *assumed* that the lawyer individually was disqualified from representing a client against GM, and instead argued, first, that the issue was moot and, second, that the law firm should not suffer imputed disqualification after the lawyer had left its employ because of its use of an "ethics screen." *Id.* at 975-76.

For all these reasons, Mr. Danis respectfully suggests that the *Cardona* case, which was not decided until August 1996, months after he had ceased his involvement in *Beam*, should not be used as a basis supporting the imposition of discipline on his law license.

Furthermore, even if the Court should determine that Mr. Danis by his representation of Mr. Beam against Chrysler violated Rule 4-1.9(a), no substantial discipline should be imposed. As discussed in detail in the statement of facts, at the time Mr. Danis first considered whether to accept representation of Mr. Beam, he and the other lawyers involved, including Mr. Carey and Mr. Buxner of the Blumenfeld firm, carefully considered the facts and circumstances and reached the conclusion that his involvement in the case was not barred. This was a reasonable conclusion and, if incorrect, was the result of an honest mistake. If this Court determines Mr. Danis violated Rule 4-1.9(a), the Court should take into consideration the fact that the violation was the result of an honest mistake, and limit its sanction to a public reprimand.

II. The Court should not hold that Mr. Danis is barred under principles of non-mutual offensive collateral estoppel from contesting the district court's holding, affirmed by the Court of Appeals for the Eighth Circuit, that he committed intentional discovery abuse, because the legal requirements for application of non-mutual offensive collateral estoppel are not present, in that (a) the issues decided in the district court and the Eighth Circuit are not identical to the issue presented here and (b) Mr. Danis did not receive a full and fair hearing in federal court.

The issue presented in the Point Relied On is whether Mr. Danis is barred from presenting evidence on the issue of his alleged discovery abuse and from contesting the holding of the district court, affirmed by the Eighth Circuit, that he committed intentional discovery abuse, by reason of the principles of non-mutual offensive collateral estoppel stated in the Court's opinion in *In re Caranchini*, 956 S.W.2d 910 (Mo. banc 1997). For the following reasons, *Caranchini* is not applicable, and the Court should consider the evidence without deference to or consideration of the decisions of the federal courts.

The Informant argues that Mr. Danis is barred from contesting the discovery abuse charges because the Eighth Circuit in *Chrysler Corp. v. Carey*, 186 F.3d 1016 (8th Cir. 1999), affirmed the district court's decision finding intentional discovery abuse. This Court in *Caranchini* held that collateral estoppel bars an attorney from contesting charges at a disciplinary hearing where the charges are related to the findings of another court if: (1) there is an identity of the issues; (2) the prior judgment was on the merits; (3) the party against whom collateral estoppel is asserted was a party or in privity with a party to the prior judgment; and (4) the party had a full and fair opportunity to litigate the issue at the prior adjudication. *Id.* at 912-913. All four elements must be met, or there is no collateral estoppel.

Here, two of the four elements are missing. Mr. Danis did not have a full and fair hearing in the prior adjudication. While the Eighth Circuit found that the proceedings before the district court were full and fair *for purposes of imposing discovery sanctions*, the proceedings were not full and fair for purposes of suspending a lawyer's law license. Furthermore, the issue before this Court is not identical to the issue before the federal court because no court had determined whether Mr. Danis, *as opposed to his lawyers*, committed any discovery abuses. Although the Eighth Circuit found the existence of discovery abuses, it did not further find that Mr. Danis, as compared to Messrs. Basso and Wuestling, his lawyers, committed the abuse.

A. An attorney is entitled to a greater degree of due process in a disciplinary proceeding than a party is entitled to in a discovery sanction proceeding.

Collateral estoppel prevents a party who unsuccessfully litigated an issue in a prior action from retrying the identical issue in a subsequent action. This Court has limited collateral estoppel to “those issues which were necessarily and unambiguously decided” in the prior action. *King General Contractors, Inc. v. Reorganized Church of Jesus Christ of Latter Day Saints*, 821 S.W.2d 495, 501 (Mo. banc 1991). Only two Missouri cases have permitted non-mutual offensive collateral estoppel — *Caranchini* and *Scott v. Daniels*, 789 S.W.2d 243, 245 (Mo.

App. 1990) (defendant who pled guilty to marijuana possession held barred from denying knowledge of the presence of the possessed marijuana in subsequent forfeiture proceeding). *See James v. Paul*, 49 S.W.3d 678, 685 n.5 (Mo. banc 2001) (“Missouri appears to follow the narrow use of offensive collateral estoppel laid down in *Park Lane Hosiery Co.*”).

Consequently, the party asserting collateral estoppel, here, the Informant, must establish that “the party against whom collateral estoppel is asserted had a full and fair opportunity to litigate the issue in the prior suit.” *King General Contractors* at 500. Informant cannot meet this burden as Mr. Danis did not have a full and fair opportunity to litigate the discovery issues, and in particular his knowledge and intent in Chrysler’s lawsuit.

Furthermore, even if two actions concern the same factual issues, and even if the losing party had “a full and fair opportunity to litigate the issue,” the decision in the first case will not control the second case if, the burden of proof in the two cases is different. For example, if a defendant is found liable in a civil battery case (by the preponderance of the evidence), he will not be automatically convicted in a subsequent related criminal case (by beyond a reasonable doubt); similarly, a defendant who is acquitted in a murder case can still be found liable in a subsequent civil wrongful death suit. *See, e.g., the O.J. Simpson cases*. Missouri appellate decisions recognize this principle:

There is also a different standard of proof in criminal proceedings, in which guilt must be shown beyond a reasonable doubt. In [parental] termination cases, the grounds for termination must be shown by clear, cogent, and convincing evidence rather than the higher standard. If the party against whom estoppel is sought had to satisfy a significantly higher burden of persuasion in the preceding action, there could be no identity of issues and the doctrine of collateral estoppel cannot apply in the second action.

In the Interest of T.G. v. A.O.G., 965 S.W.2d 326, 334 (Mo. App. 1998), *citing Shaffer v. Terrydale Management Corp.*, 648 S.W.2d 595, 608 (Mo. App. 1983); *accord* Restatement (Second) of Judgments, § 28.

Here, while both proceedings apply the same burden of proof, there is a comparable and significant difference in *the degree of due process required* by the Constitution in the two proceedings. As shown below, much less due process is constitutionally required prior to the imposition of discovery sanctions compared to the imposition of attorney discipline. While the proceedings in the district court, which did not include an evidentiary hearing, were held by the Eighth Circuit to be sufficient to permit the imposition of sanctions, those proceedings were not sufficient constitutionally to permit Mr. Danis's law license, a valuable property right, to be indefinitely or otherwise suspended. Consequently,

Mr. Danis is constitutionally entitled to a full plenary hearing, even as to factual issues previously decided by the federal courts.

1. Due process requirements in an action to impose discovery sanctions do not include the requirement of an evidentiary hearing.

No evidentiary hearing is required before a district court can impose sanctions upon a party for an abuse of the discovery process. The district court may simply rely upon the record before it. *Chrysler Corp. v. Carey*, 186 F.3d 1016, 1022 (8th Cir. 1999), *citing Societe Internationale v. Rogers*, 357 U.S. 197, 209 (1958). Indeed, for purposes of such sanctions, a “chance to respond to the charges through submission of a brief is usually all that due process requires.” *Muthig v. Brant Point Nantucket, Inc.*, 838 F.2d 600, 606-07 (1st Cir. 1988) (Breyer, J.), *cited by Jensen v. Federal Land Bank of Omaha*, 882 F.2d 340, 341 (8th Cir. 1989); *see also Schlaifer Nance & Co. v. Estate of Warhol*, 194 F.3d 232, 335 (2nd Cir. 1999).

2. An attorney has a significant property interest in his law license, and is therefore entitled to an evidentiary hearing before discipline is imposed.

The Fifth and Fourteenth Amendments to the United States Constitution and Article I, Section 10 of the Missouri Constitution, provide that no person shall be deprived of property without due process of law.

A law license is “property” for purposes of these constitutional provisions. *Accord In re Ruffalo*, 390 U.S. 544 (1968) (reversing federal disbarment of attorney previously disbarred by state court due to lack of constitutionally sufficient notice of the charges in the state court proceedings).

In determining what is “property” for due process purposes, the United States Supreme Court has held:

The hallmark of property, the Court has emphasized, is an individual entitlement grounded in state law, which cannot be removed except “for cause.” Once that characteristic is found, the types of interests protected as “property” are varied and, as often as not, intangible, relating to the whole domain of social and economic fact.

Logan v. Zimmerman Brush Co., 455 U.S. 422, 430 (1982) (citing cases holding a variety of interests to be property, including, among others, horse trainer’s licenses and driver’s licenses) (citations omitted). Missouri cases have also held a variety of interests to be property, including employment as a police officer, *Belton v. Board of Police Comm’rs*, 708 S.W.2d 131 (Mo. banc 1986); retention of a medical license, *Russell v. State Board of Registration for the Healing Arts*,

Appeal No. WD54818 (Mo. Ct. App. W.D., Dec. 22, 1998), available on Lexis at 1998 Mo. App. Lexis 1744; and retention of a driver's license, *Dabin v. Director of Revenue*, 9 S.W.3d 610 (Mo. banc 2000).

Because a law license is property, the critical question is: How much due process is required before a lawyer can be disciplined? In *Mathews v. Eldridge*, 424 U.S. 319 (1976), the United States Supreme Court held that the amount of due process depends upon, among other factors, the *importance* of the interest at jeopardy. *Id.* at 334-35. In other words, the more important the interest at stake, the greater the process that is due. See *Donelon v. Division of Employment Security*, 971 S.W.2d 869 (Mo. App. 1998), holding that three-day suspension of employment was “an important interest” entitling the employee to “a chance to tell his side of the story.” *Id.* at 876. “Due process contemplates the opportunity to be heard at a meaningful time in a meaningful manner.” *Dabin*, 9 S.W.3d at 615 (driver's license).

Where the interest at stake is as important as a law license, due process requires that the lawyers facing possible discipline be given an *effective opportunity to defend* against the charges. “An ‘effective opportunity to defend’ must include advance notice of the right to contest the charges *and the right to present evidence.*” *Russell, supra* (emphasis added).

Here, Mr. Danis had no opportunity to present evidence in the district court concerning the allegations of discovery abuse, and in particular the allegations of perjury. The district judge never permitted Mr. Danis to address the Court. Instead, the district judge relied solely on the argument of his counsel, who in turn limited his argument to the Grossman letter.⁹

B. The trial court's oral statements are not binding for purposes of collateral estoppel.

The trial court transcript from the Chrysler lawsuit includes a lengthy dialogue between the district judge and the lawyers — but not Mr. Danis — about the Grossman letter and, after sanctions were announced, about other discovery matters as well. Informant would have this Court treat all of the district judge's statements, invectives, questions, and musings, as though they were all findings of fact and conclusions of law, equal in dignity with the formal, written findings of fact and conclusions of law issued by courts.

In effect, it is Informant's position that Mr. Danis should not have been permitted at the hearing to present any evidence related to any of the district

⁹ Mr. Basso limited his argument to the Grossman letter because he understood from Chrysler's motion and the judge's comments that the only issue for possible sanctions was the Grossman letter.

judge's utterances. Informant presents no authority to support this extraordinary expansion of collateral estoppel.

When a court intends to make findings of fact and conclusions of law, it considers the issues and then sets out its findings and conclusions in writing. There are obvious reasons why courts do this. Spoken words can be careless or ill considered. Written words should be the product of greater care. Written words are placed in the case file. Sometimes they are published. That is why no cases hold that collateral estoppel applies to every word uttered by judges during the course of the cases they preside over. *See Carondelet Savings & Loan Ass'n v. Boyer*, 645 S.W.2d 24, 26-27 (Mo. App. 1982), in which the appellate court discussed certain "oral findings" made by a trial court, holding:

In a series of points Boyer challenges oral findings of fact made by the trial court.... The court's "findings" concerning fraudulent conveyances were unresponsive to any issue then before it, were made without evidentiary hearing on the subject to which they were directed, and purported to pass on the legal rights of a non-party...

They were at best volunteered expressions of opinion on a subject not before the court. They were not judicial findings and can form no basis for collateral estoppel or res judicata.

Similarly, Judge Perry's "volunteered expressions of opinion" in the Chrysler case are not usable as a basis for collateral estoppel here.

C. No court has found that Mr. Danis (as opposed to his lawyers) committed discovery abuses.

Collateral estoppel applies to issues that were "necessarily and unambiguously decided" in a prior action. *King General Contractors*, 821 S.W.2d at 501. *In a civil trial, the actions of a party's lawyers are imputed to the party.* "Generally, actions of a party's attorney, including procedural neglect that precludes a party's substantive rights, are imputed to the client." *Cotleur v. Danziger*, 870 S.W.2d 234, 238 (Mo. banc 1994) (party's lawyer failed to appear at trial and the court ordered a default judgment against her).

Similarly, the federal trial and appellate courts in *Chrysler v. Carey* did not distinguish between Mr. Danis and his lawyers. There was no need to. The actions (and inactions) of his lawyers were attributable to Mr. Danis — but *only* in the context of the civil damage lawsuit, where clients are often sanctioned for the sins or sloppiness of their lawyers. Disciplining the lawyer-client *for the conduct of his lawyer* through the deprivation of his property right in his law license, however, is quite another matter.

In this proceeding, the issue is whether Mr. Danis personally, and not vicariously through his lawyers, abused the discovery process. The issue of

whether he *personally* gave knowingly false responses to discovery was not necessarily before the district court or the Eighth Circuit, and therefore the issue was not “necessarily and unambiguously decided.”

For all of these reasons, Informant’s contention that *Caranchini* applies and that this Court can ignore all of the evidence concerning Mr. Danis’s state of mind and the absence of any intent on his part to file false or misleading discovery responses, should be rejected. The Court should consider Mr. Danis’s evidence as set forth herein.

III. Mr. Danis’s response to document request No. 25 was accurate, and therefore not in violation of Rule 4-3.4(a) & (d) or Rule 4-8.4(c) & (d), because the request sought documents related to an “agreement” on fee sharing or joint representation and the response stated that “no such documents exist,” in that while there were documents relating to *proposals* concerning fee sharing and joint representation, the Informant has failed to show by the preponderance of the evidence that any *agreement* on those subjects was ever reached.

Supreme Court Rule 4-3.4(a) & (d) states:

A lawyer shall not:

(a) unlawfully obstruct another party's access to evidence or unlawfully alter, destroy or conceal a document or other material having potential evidentiary value. A lawyer shall not counsel or assist another person to do any such act;

* * *

(d) in pretrial procedure, make a frivolous discovery request or fail to make reasonably diligent effort to comply with a legally proper discovery request by an opposing party;

Supreme Court Rule 4-8.4(c) & (d) states:

It is professional misconduct for a lawyer to:

* * *

(c) engage in conduct involving dishonesty, fraud, deceit or misrepresentation;

(d) engage in conduct that is prejudicial to the administration of justice;

The Informant contends Mr. Danis violated these rules by his response to document request No. 25 directed to him and to Carey & Danis in Chrysler's lawsuit. Document request No. 25 requested production of:

All documents which refer or relate to fee sharing or joint representation *agreement* with any other attorney(s) or law firm(s) concerning a client represented by Carey & Danis, L.L.C. (emphasis added).

Carey & Danis's attorney signed a joint response on behalf of the three defendants in Chrysler's lawsuit, Messrs. Carey and Danis and the Carey & Danis law firm, stating:

With regard to matters in which Chrysler was a party, no such documents exist. Defendant never had a fee arrangement on the *Beam* case or any Chrysler matter, and Defendant has never received any fee derived from any matter related to Chrysler.

[Exhibit 236 at 236-2].

Informant contends that this response was false because it failed to identify (a) the Grossman letter [Exhibit 260]; (b) a January 9, 1996 letter by Mr. Deakle regarding fees [Exhibit 92]; (c) a July 1996 letter by David Danis regarding Chrysler fees [Exhibit 153]; or (d) a July 1996 letter by Mr. Phebus regarding Chrysler fees [Exhibit 104]. *See Informant's Brief* at 35.

Contrary to Informant's contentions, the response to document request No. 25 was factually accurate. Even if the Court were to determine that the response was for some reason not factually accurate, the Informant has failed to establish by a preponderance of the evidence that any factual inaccuracy was the result of conduct by Mr. Danis in violation of the foregoing rules.

Both common usage and Missouri law makes a distinction between an “agreement” and a “proposal.” *The American Heritage Dictionary of the English Language* (Houghton Mifflin: 1978) defines “agreement” as:

1. The act of agreeing. 2. The state of being agreed; concord; harmony.
3. An arrangement between parties regarding a method of action; covenant; treaty. 4. *Law.* a. A properly executed and legally binding compact. b. The writing or document embodying this....

Missouri law recognizes the difference between an agreement and discussions preliminary to an agreement: “The term ‘mutuality of agreement’ implies a mutuality of assent by the parties to the terms of the contract.” *L. B. v. State Committee of Psychologists*, 912 S.W.2d 611, 617 (Mo. App. 1995). “Negotiations or preliminary steps towards a contract do not constitute a contract.” *Gateway Exteriors, Inc. v. Suntide Homes, Inc.*, 882 S.W.2d 275, 279 (Mo. App. 1994). “There must have been, in addition to consideration, an offer and acceptance... An unsigned bid is no more than an offer to contract.... Without proof of mutuality of agreement, plaintiff’s evidence was insufficient to prove the existence of a valid oral contract.” *White v. Pruiett*, 39 S.W.3d 857, 862 (Mo. App. 2001).

The evidence at the hearing establishes that Mr. Danis’s response to document request No. 25 was factually accurate. There was *no* evidence that Carey & Danis reached any fee sharing *agreement* or any joint representation

agreement with anyone in connection with any Chrysler matter. In addition, no document in evidence established any such purported agreement.

Mr. Carey testified that Carey & Danis never had an agreement relating to fee sharing or joint representation in a Chrysler ABS case. [Tr. 721-23]. There was no fee agreement between Carey & Danis and the Blumenfeld firm, David Danis, or any other person. [Tr. 705-06, 716-17]. David Danis confirmed that Carey & Danis were not going to share in any fees obtained in the Chrysler ABS cases. [Tr. 581-83]. While there were *discussions* about whether the group would use future proceeds, if any, from the Chrysler ABS actions to pay some of Carey & Danis's legal fees in Chrysler's lawsuit against them, *no agreement was ever reached*. [Tr. 433, 579-80]. Mr. Carey testified: "It was something that we discussed, but it was never agreed upon and it kind of died on the vine. I never heard it mention[ed] again." [Tr. 759-60].

An examination of the four documents cited by the Informant demonstrates that none of the documents shows a fee agreement in which Mr. Danis or Carey & Danis was to receive a fee in any Chrysler case.

A. The Grossman letter.

The Grossman letter stated in regard to the potential for joint representation and fee sharing in Chrysler ABS litigation:

We have preliminarily discussed your suggestion of consolidating our cases and pursuing the matter in the United States District Court for the District of New Jersey. Your suggestion has merit, and we are seriously entertaining the invitation....

Please provide us with a general analysis of what you anticipate our role in the litigation would be if we consolidated our case, the Mississippi case and join the other plaintiffs we have lined up in other states to your suit. It is my suggestion that we negotiate some percentage of attorney fee allocation at the onset to protect both of our interests... We would be interested to hear your proposed allocation if we consent to consolidation.

[Exhibit 260].

The Grossman letter is simply not a document referring or relating to a fee sharing or joint representation agreement, as opposed to a proposal. Chrysler had the ability to ask in discovery for documents relating to fee proposals which never concluded in an agreement, but chose not to do so. Mr. Danis's document response is not inaccurate for not disclosing the Grossman letter.

B. The January 9, 1996 letter by Mr. Deakle

The Informant contends that Exhibit 92, a letter written by Mr. Deakle, a member of the group, dated January 9, 1996, should have been disclosed or produced in response to document request No. 25. The letter, which clearly references a fee split in a Chrysler litigation in New York (the litigation was actually in New Jersey), is addressed to **Dan** Danis, Esq., of Carey & Danis. There is, of course, no Dan Danis — there is Joseph Danis of Carey & Danis and David Danis of Danis Cooper. The text of the letter makes it clear that it was directed to David Danis. The letter states, “you have arrived at an agreement with the New York counsel wherein your firm will be co-lead counsel in regard to this litigation...” [Exhibit 92]. The record establishes it was David Danis, not Joseph Danis, who reached an agreement to be co-counsel in the New Jersey litigation. [Tr. 555-58].

Because this letter does not reflect a fee agreement for *Carey & Danis* in a Chrysler case, it was not responsive to the document request, and Mr. Danis’s discovery responses were not inaccurate for not disclosing the letter.

C. The July 16, 1996 letter by David Danis.

The Informant contends that Exhibit 153, a letter written by David Danis July 16, 1996, should have been disclosed or produced in response to document

request No. 25. This letter, which was addressed to all of the members of the group *except for Messrs. Carey and Danis*, stated:

Re: Chrysler Anti-Lock Brake Case

Gentlemen:

As you are aware, Chrysler Corporation has filed suit against Carey & Danis arising out of the Chrysler anti-lock brake litigation....

I have talked with Joe Phebus who I understand was going to talk with John Deakle regarding the matter of any expenses that are incurred by Carey & Danis in the defense of that action. We discussed that our group will agree that any such expenses will be applied as expenses to the Chrysler anti-lock brake case under our arrangement and division of fees and payment of expenses.

Also, I would like to clarify our arrangement regarding the division of fees. As you know, the *Chrysler* case has primarily been worked on in our office by Richard Cooper over the last year who we had a fee-sharing arrangement with. He is not a part of our normal class action division of persons or fees.

At the time that we were in Selma, we agreed to the *Chrysler* case becoming part of the overall package even though we had over a year's work in it. It was agreed that Richard would receive one full share which is 1/8 of the fee. Therefore, 3/8 of the fee will come to the St. Louis

group, 1/8 to J. L. Chestnut, 2/8 to Deakle/Sims, and 2/8 to Phebus/
Campbell....

/s/ David O. Danis

[Exhibit 153].

There are two aspects of this letter which need to be discussed. The first is the notion that the lawyers prosecuting the Chrysler ABS case would use their fees in that case to cover Carey & Danis's expenses in Chrysler's lawsuit against them. As discussed earlier, the evidence was that while this notion was discussed, it never resulted in any agreement, and this document does not show otherwise.

The second aspect of the letter is the division of fees in the Chrysler ABS cases and, in particular, the allocation of 3/8 of the fee "to the St. Louis group." David Danis, the author of the letter, testified that "the St. Louis group" referenced in his letter referred only to himself and Mr. Cooper, and did not include Carey & Danis. David Danis was personally to receive 2/8th of the fee. [Tr. 582-83]. As the letter expresses, his demand for a greater share was reasonable, given that Danis Cooper "had over a year's work in" the Chrysler ABS case before the case became part of the group's "overall package." [Exhibit 153].¹⁰

¹⁰ Even if the Court were to conclude the David Danis was aggressive in seeking a double-share of the fees for himself, his aggressiveness *vis-a-vis* the

Finally, there was no evidence that Mr. Danis ever saw this letter or knew of its contents prior to its production in discovery during Chrysler's lawsuit, and the Informant does not suggest that he had any such knowledge. [Tr. 586]. Without knowledge of the letter, the absence of any reference to the letter in the discovery responses could not cause that response to be made in violation of the Supreme Court Rules.

D. The July 16, 1996 letter by Mr. Phebus.

The Informant contends that Exhibit 104, a letter written by Mr. Phebus July 16, 1996 in response to David Danis's letter of that date, should have been disclosed or produced in response to document request No. 25. The letter stated:

RE: Chrysler ABS

This is in follow up to David Danis' Chrysler anti-lock brake letter of July 16. I have not gotten around to talking with John or others of the group concerning this. However, from discussing the matter with Carey, Danis and Danis, I believe it is quite reasonable and appropriate that we agree that the expenses that are incurred in defense of the

group does not support the conclusion that a portion of his share of the fee was secretly intended for Carey & Danis. Even if David Danis had a secret intent to gift a portion of his share to his son or his son's law firm, there was no *agreement* that Carey & Danis would share in Chrysler ABS fees.

Chrysler claim will be applied as non-client expenses to any recovery we make from Chrysler....

[Exhibit 104]. This letter was addressed to the group, including Carey & Danis, although Carey & Danis's "address" had neither a mail address nor a fax number associated with it. *Id.* With this letter, as with the other three documents, there is no evidence of *an agreement* — the conversation is still in the proposal stage. As noted previously, the proposal "died on the vine" and never became an agreement. Thus, because this letter does not reflect a fee *agreement* for Carey & Danis in a Chrysler case, it was not responsive to the document request, and Mr. Danis's discovery responses were not inaccurate for not disclosing the letter.

In summary, these four documents were not responsive to the document request, and therefore the response to the request for production (to the extent the documents were known to Mr. Danis, which is not established), was not misleading or dishonest in violation of Rule 4-3.4(a) & (d) or Rule 4-8.4(c) & (d).

IV. Although Mr. Danis's response to interrogatory No. 2 was not completely accurate due to his failure to disclose the meetings with the Blumenfeld lawyers or the meeting with Grosman in New York, he was not in violation of Rule 4-3.4(a) & (d) or Rule 4-8.4(c) & (d), because Mr. Danis honestly understood that those meetings, which he had disclosed to his attorney, were not mentioned in the answer

because the answer incorporated the district court's order sustaining many of Mr. Danis's objections, and also incorporated agreements with Chrysler's counsel relating to privilege issues.

Interrogatory No. 2 to Mr. Danis asked him:

State whether you communicated with anyone (other than Dennis Beam and Joseph Danis or any employee of Carey & Danis, L.L.C.) *regarding the subject matter* of the St. Louis, Hattiesburg, or New Jersey class actions referenced in paragraphs 1, 19, and 21 of the Complaint, or the class action suit *Betty Brown, et al. v. Chrysler Corp., et al.*, filed in the Circuit Court of Sumter County, Alabama. For each such communication, state the following:

- a. the time and place at which it was made;
- b. the name and address of each person who was a party to such communications;
- c. the substance of the communication, providing as much detail as possible;
- d. identification of any document or recording relating to such communication.

[Exhibit 251 (emphasis added)]. Mr. Danis responded:

- a. From time to time, the exact dates are unknown;

- b. David Danis, 8182 Maryland Avenue, St. Louis, Missouri 63105;
- c. These were casual conversations that took place, over lunch, as to what was going on with the New Jersey case;
- d. No such documents exist.

[Exhibit 251].

The Panel found Mr. Danis's answer to interrogatory No. 2 to be false because it failed to disclose meetings held with the Blumenfeld lawyers prior to the filing of *Beam* and also failed to disclose the New York meeting with Mr. Grossman.¹¹

It is important to recognize that interrogatory No. 2 was poorly drafted and is exceedingly vague and unclear.¹² It directs Mr. Danis to "[s]tate whether

¹¹ Although the Informant contends that the interrogatory answer was misleading because it did not disclose any documents or recordings relating to the conversations with the Blumenfeld lawyers, this contention cannot stand because there is no evidence that any such documents or recordings ever existed. Thus, the interrogatory answer was not incomplete due to the absence of an identification of such documents.

¹² Interrogatory No. 2 was one of approximately 150 interrogatories and document requests promulgated by Chrysler and directed to Messrs. Carey

you communicated with anyone *regarding the subject matter of* the four specified lawsuits (emphasis added).

What does this request mean? What is the “subject matter” of the four named lawsuits — is it Chrysler ABS brakes, ABS brake defects generally, the specific claims of the named plaintiffs only, or anything mentioning the word “Chrysler”? Does the interrogatory mean disclose conversations in which the four lawsuits were mentioned, even if the “subject matter” of the lawsuits (whatever that may be) was not discussed, or, alternatively, does it mean do *not* disclose conversations in which the four lawsuits are mentioned unless information regarding ABS brake defects is specifically discussed? And what about conversations relating to Chrysler ABS brakes but specifically about some case other than the four cases specified?

and Danis during Chrysler’s lawsuit. The number of discovery requests were excessive, and the quality of the drafting was poor. Messrs. Carey and Danis were also deposed on multiple occasions. It is significant, given the volume of discovery, that claims of inaccuracy are directed at only one interrogatory and two document requests, all of which can be reasonably read differently than how Chrysler and the Informant would have the Court read them.

Although these multiple positions are all radically inconsistent with each other, the Informant essentially adopts all of them, on an *ad hoc* basis, as needed to justify a purported requirement to disclose one or another of the so-called 42 documents.

Setting aside for the moment the difficult question of what the interrogatory can reasonably be understood to mean, Mr. Danis relied on his lawyer, Mr. Wuestling, in taking the information he was provided and preparing discovery responses consistent with the discovery orders entered by the court. As set out in great detail above, there were numerous issues of privilege raised by the discovery in Chrysler's lawsuit, and Mr. Danis believed that the Blumenfeld and Grossman meetings were not disclosed because either the court had held, or the lawyers had agreed, that those meetings were not to be disclosed on grounds of privilege.

The proof that Mr. Danis had no intent to conceal his conversations with either Blumenfeld or Grossman is the fact that he testified at length about both meetings during his first deposition taken in Chrysler's lawsuit. This first deposition took place well *before* Chrysler obtained the 42 documents from its discovery from the non-party witnesses. His testimony is detailed at length in the statement of facts above.

Thus, the preponderance of the evidence does not support a conclusion that Mr. Danis was “unlawfully obstruct[ing]” Chrysler’s discovery, or that he failed to make a “reasonably diligent effort to comply” with Chrysler’s discovery requests, or that he was being dishonest or deceitful, or that his honest mistake in approving an incomplete discovery response was “prejudicial to the administration of justice.” The interrogatories were poorly written; there were 150 interrogatories and document requests in total; and Mr. Danis fully disclosed the Blumenfeld and Grossman meetings and conversations when, in his deposition, he was asked questions designed to elicit such information.

Finally, both the Informant and the Panel during the course of the hearing placed heavy emphasis on the fact that Mr. Danis never filed a supplemental answer to interrogatories disclosing the Blumenfeld or Grossman meetings. As noted previously, Mr. Danis’s lawyer, Mr. Wuestling, testified that he did not believe that it was necessary to file a supplemental answer because, in his view, the deposition testimony served to supplement the interrogatory answers. [Tr. 857-58]. Under the Federal Rules of Civil Procedure, Mr. Wuestling’s view was correct. Rule 26(e)(2) states:

Supplementation of ... Responses. A party who has ...
responded to a request for discovery with a ... response is under a duty
to supplement or correct the ... response to include information

thereafter acquired if ordered by the court or in the following circumstances: ...

(2) A party is under a duty seasonably to amend a prior response to an interrogatory, request for production, or request for admission if the party learns that the response is in some material respect incomplete or incorrect and *if the additional or corrective information has not otherwise been made known to the other parties during the discovery process* or in writing.

Fed.R.Civ.P. 26(e)(2) (emphasis added).

Consequently, given that Mr. Danis's own deposition testimony supplemented any omissions in his discovery responses, and given Mr. Danis's honest belief that the disclosure was not required in light of the court's rulings, the Court should find that Mr. Danis did not violate the rules by failing to disclose the Blumenfeld and Grossman meetings in his interrogatory answer. Alternatively, the Court should determine that any violation of the rules which it may find was unintentional and careless, and that the appropriate discipline should be no more severe than a public reprimand, without a suspension of Mr. Danis's law license.¹³

¹³ The Court should note that the Grossman letter had been delivered to Carey & Danis's lawyer, Mr. Basso, and made available for review by

V. Mr. Danis's response to interrogatory No. 2 and to Document request No. 12 is not in violation of Rule 4-3.4(a) & (d) or Rule 4-8.4(c) & (d), because it was made honestly after reasonable inquiry, notwithstanding Mr. Danis's failure to disclose the so-called 42 documents, in that (a) the evidence does not establish that Mr. Danis received or ever knew about the great majority of the 42 documents, which were directed to be delivered to Danis Cooper and not Carey & Danis, (b) many of the 42 documents were not responsive to either discovery request, and (c) almost without exception, the 42 documents were such innocuous and insignificant documents that, if seen by Mr. Danis (which they were not), they would have been immediately forgotten.

Informant contends that the so-called 42 documents should have been disclosed and produced in response to subpart (d) of interrogatory No. 2, and document request No. 12, which paralleled the document identification request found in interrogatory No. 2. Document request No. 12 requested production of:

Any correspondence, memoranda, or notes *relating to the subject matter* of the St. Louis, Hattiesburg, or New Jersey class actions referenced in paragraphs 17, 19, and 21 of the Complaint, or the class

Chrysler's lawyers, at the very beginning of Chrysler's lawsuit.

action suit *Betty Brown, et al. v. Chrysler Corp., et al.* filed in the Circuit Court of Sumpter County, Alabama.

[Exhibit 235 at 235-3-4 (emphasis added)]. Carey & Danis's attorney signed a joint response on behalf of the three defendants in Chrysler's lawsuit, Messrs. Carey and Danis and the Carey & Danis law firm, stating:

No such documents are in the possession of Defendants.

[Exhibit 235 at 235-3-4].

The Federal Rules of Civil Procedure govern discovery in federal courts. Rule 26(g)(2), F.R.Civ.P., specifies what a party is certifying when he or she signs a response to a discovery request:

The signature of the attorney or party constitutes a certification that *to the best of the signer's knowledge, information, and belief, formed after a reasonable inquiry*, the ... response ... is: (A) consistent with these rules... (emphasis added).

In short, the standard is honesty, within the limits of the party's knowledge after reasonable inquiry. Neither the federal rules, nor this Court's disciplinary rules, require perfection — what is required is honesty, disclosing what one actually knows, after a reasonable inquiry.

The evidence does not establish that Mr. Danis received or ever knew about the great majority of the 42 documents, which through established office

procedure were delivered to Danis Cooper and not Carey & Danis. Moreover, there is still no evidence that any of the documents (other than the Grossman letter, which was in Mr. Basso's files, and Exhibit 94) were in Mr. Danis's possession, or even constructively in his possession.

As discussed in detail above, Carey & Danis decided not to be involved in the Chrysler ABS cases after Mr. Carey's conversation with Mr. Newman about the alleged conflict of interest. In an honest effort to comply with their commitment not to participate in the case, they directed that all faxes concerning Chrysler received at the fax machine which they shared with the Danis Cooper law firm should be delivered to Danis Cooper and not Carey & Danis. Carey & Danis put into place procedures to guarantee that they would not receive Chrysler ABS documents. This fact was confirmed by their own testimony; by the testimony of Mr. Carey's secretary, Ms. Hotop; by the testimony of David Danis; and by the deposition testimony of other attorneys in the group. The testimony was, in fact, un rebutted. Indeed, to find otherwise, the Court would have to conclude that both respondents, David Danis, Ms. Hotop, Mr. Phebus, and Mr. Deakle all perjured themselves in their testimony in this matter, notwithstanding the fact that not one witness testified inconsistently with their testimony.

Thus, the evidence strongly supports the conclusion that very few of the 42 documents managed to make their way to Mr. Danis. Indeed, Mr. Carey did not recall receiving any of the 42 documents. [Tr. 422-46]. Informant has the burden of proving by the preponderance of the evidence that these documents were in the possession of Carey & Danis at the time their responses to the interrogatory and document request were filed. This burden Informant has not, and cannot, meet.¹⁴

A. Many of the 42 documents were not responsive to the discovery requests because they did not refer to any Chrysler ABS case, but instead referred to Chrysler paint cases or to non-Chrysler cases, all of which were outside the scope of the discovery requests.

¹⁴ Mr. Danis was not required to supplement his response to the document request after the documents were obtained by Chrysler in discovery. Rule 26(e)(2), F.R.Civ.P., specifically provides that there is no duty to supplement if the additional information has been otherwise made known to the other parties during the discovery process. Chrysler learned about each of the 42 documents during the discovery process, and therefore Mr. Danis was not obliged to supplement his response.

The notion that all of the 42 documents, if known to Mr. Danis, would be responsive to Chrysler's discovery, although repeated incessantly like a mantra, is contradicted by an examination of the documents.

For example, the following documents contained no reference to the four specified Chrysler ABS cases or to the subject of defects in Chrysler ABS systems:

Exhibits 101, 105, 115, 117, 121, 123, 127, 128, 130, 131, 132 and 133 relate to *Olivia v. Chrysler*. This Texas case involved defective *paint* on Chrysler vehicles. None of Chrysler's discovery requests sought information about the paint cases, and therefore these documents were not responsive to any of Chrysler's discovery requests.¹⁵

¹⁵ Exhibits 121 and 123 are significant, and when read in conjunction support the conclusion that the nonproduction was innocent oversight rather than discovery abuse, because these documents support Carey & Danis's version of the events, and they would not gain in anyway from suppressing the documents. Exhibit 121 is a letter from Mr. Phebus dated October 25, 1996 relating to the Chrysler paint case, *Olivia*. In the letter, Mr. Phebus asks Mr. Carey if he would prepare a motion to remand and memorandum in support in federal court for *Olivia*. In Exhibit 123, Mr. Carey responds November 4, 1996,

Exhibit 95 is a letter from Mr. Deakle to Hank Sanders (not a member of the group) dated June 7, 1996. Although this letter references a “Chrysler anti-lock brake client,” it is in the context of the *Cox* case, a case apparently proposed to be filed in Green County, Alabama. The *Cox* case was not one of the four cases specified in the discovery requests, and therefore this document would not have been responsive to the discovery requests even if Mr. Danis knew of it.

Exhibits 96, 97, and 98, are all letters from Mr. Deakle dated June 14, 1996, concern the *Cox* lawsuit. Exhibit 100 is a letter from Mr. Phebus dated July 8, 1996, about the *Cox* case and other, non-Chrysler, cases. As with Exhibit 95, these documents were not responsive to Chrysler’s discovery requests.

The four documents relating to potential fee agreements — Exhibits 92, 104, and 153, and the Grossman letter [Exhibit 260] discussed in detail above — also did not concern the “subject matter of” the four specified Chrysler ABS cases, and therefore were not responsive to interrogatory No. 2 or document request No. 12.

writing: “I have your letter requesting that we draft a remand. As you know, I am not going to be working on this file. If I can be of any assistance in anything else, please advise.”

B. For many of the documents, it is unclear or ambiguous as to whether they would be responsive to the discovery requests even if known to Mr. Danis.

As noted previously, interrogatory No. 2 and document request No. 12 are both quite ambiguous. They do not clearly require identification and production of documents which merely mention the four specified Chrysler ABS cases — they only require identification and production of documents which relate to the *subject matter* of those four, specific lawsuits. Consequently, reasonable minds could disagree about whether the following documents would be responsive to the discovery requests even if known to Mr. Danis.

The following documents do not clearly refer to any of the four specified Chrysler ABS cases:

Exhibit 93, a letter from Mr. Deakle to Marvin Morris (not a member of the group) dated March 18, 1996 with a copy to Joe Danis referring to “Chrysler Minivans.” It is not apparent on its face whether this letter relates to Chrysler ABS — neither ABS nor brakes nor anti-lock braking is mentioned anywhere in the letter.

Exhibit 109, a letter from Mr. Deakle to Mr. Phebus dated August 7, 1996. It is unclear on its face whether the letter relates in any way to the four Chrysler ABS cases. Moreover, it does not concern the subject matter of any ABS case;

rather, it asks a procedural question. The letter states: “I have your motion to stay in the Chin case, as well as your motion to dismiss the MDL. Both of these, as usual, look just fine. Do you think there is a requirement to file a brief in the New Jersey federal court? If so, you may want to ‘cookie cutter’ from the brief which Bob Crouch prepared and which we filed in the Ford ignition fire case in the same federal district in New Jersey.”

Exhibit 110, a letter from Mr. Phebus to all of the members of the group including Carey & Danis relating to “Chrysler ABS.” It is unclear whether the letter is addressing “the subject matter” of any of the four specified case, as it concerns “the MDL proceedings,” which could be a separate case, and procedural matters only.

Exhibit 111, and apparent fax cover sheet from Mr. Deakle, addressed to “The Group”, dated August 13, 1996. Although the reference line is “Chrysler Brake,” there is nothing attached to the cover sheet and it does not indicate what case it concerns or what subject matter was discussed.

Exhibit 122 is a letter from Mr. Danis to Mr. Phebus indicating that NHTSA had sent Mr. Phebus File EA95-016. While the letter concerns ABS cases, no Chrysler case is mentioned in the letter, and the group was involved in ABS litigation against other automobile manufacturers.

Exhibit 126 is a letter from Mr. Phebus to William Rosenbluth (not a member of the group), with copies to the “group” referring to Chrysler ABS. The letter is forwarding copies of discovery, but does not appear to relate to any of the four specified ABS cases.

Exhibit 129 is a letter from Mr. Deakle to Mr. Chestnut forwarding papers relating to the *pro hac vice* admission of Nancy Glidden. It does not appear on its face to refer to any of the Chrysler ABS cases.

The following documents mention one or more of the four Chrysler ABS cases by name, but state nothing about the *subject matter* of those cases:

Exhibit 99 is a letter from Mr. Deakle to all of the members of the group, including Carey & Danis but not Danis Cooper, dated July 3, 1996, referencing the *Brown* case, one of the specified Chrysler ABS cases. The body of the letter states, in its entirety: “Faxed herewith is a letter I have written to the Circuit Clerk in Sumter County transmitting the personally served process upon Chrysler and Allied Signal in the GM brake case.”

Exhibit 102 is a letter from Mr. Phebus to all of the members of the group, including David Danis and Carey & Danis, dated July 16, 1996, regarding “Chrysler ABS,” stating in its entirety: “We desperately need an attorney in New Jersey who can appear for us in the Chrysler ABS case and file a motion to stay. If anyone can do anything in that regard, please proceed to do so immediately.”

Exhibit 113 is a letter from Mr. Danis to members of the group regarding Chrysler. The letter states (emphasis added):

I just happened to see a copy of the remand order entered in *your* Chrysler case. Congratulations. I know from my own experience in the past that justice has truly been served. Enclosed please find a copy of a Federal District Court in Florida's order ruling that a defendant pay for Rule 23 notification costs. I thought this may be of some interest to you.

Exhibit 114 is a letter from Mr. Deakle to the group, including Carey & Danis but not Danis Cooper, concerning procedural matters in the *Brown* case.

Exhibit 125 is a letter from Mr. Deakle to the group, including Carey & Danis, which references Chrysler but does not relate to the ABS litigation.

C. Several of the documents were not created until after the discover responses were served.

Chrysler's interrogatories and document requests were responded to October 28, 1996. Exhibits 122 through 126 are all dated after the response date. The discovery responses, therefore, could not include reference to these documents even if they were responsive.

D. There were nine documents produced by the group members that appear to have been probably responsive to Chrysler's discovery requests if in the possession or control of Mr. Danis at the time of the discovery requests

The remaining nine documents, or less than one-quarter of the documents asserted by Informant, are the only documents in the group which appear likely to have been responsive to the document request at the time the response was made, assuming that they were in the possession of Mr. Danis or Carey & Danis. These documents were marked as Informant's exhibits 94, 103, 106, 112, 116, 118, 119, 120, and 124 at the hearing. As noted previously, however, Carey & Danis had implemented office procedures to insure that all such documents went solely to Danis Cooper prior to the date Chrysler sued Mr. Danis.

There is, however, one document which should be discussed. Exhibit 94 is a memorandum written by Mr. Carey with a copy to Mr. Danis on March 28, 1996, the day after Chrysler filed its suit against them. It records a telephone call they received from Paul Sheridan, a former Chrysler employee. The memorandum states:

On Wednesday, March 27, 1996, at approximately 4:00 p.m.,
David Danis, Joseph Danis and myself received a telephone call from
Paul Sheridan. Mr. Sheridan had read about Chrysler's frivolous suit

against us in the local Detroit newspapers, and that was the reason for his call to us.

Apparently, Mr. Sheridan worked in the Minivan Operations Group for 10 and 1/2 years at Chrysler, and for a period of time was Chairman of the Minivan Safety Committee. According to Mr. Sheridan, he is aware of numerous safety problems and issues regarding the Chrysler minivan, and has been retained by attorneys in other cases against Chrysler.

He indicated that Chrysler has sued him and taken all kinds of outrageous actions. At the very least, Sheridan should be useful to us in two respects: (1) as an expert witness in the New Jersey ABS case regarding defects in the Chrysler's anti-lock braking system; and (2) as a fact witness in Chrysler's suit against us regarding Chrysler's outrageous and abusive practices....

[Exhibit 94].

The record is silent as to why this document was not produced in discovery. Mr. Danis suggests that the best explanation for the non-production of this document is innocent oversight — it was written immediately after Carey & Danis were sued; they undoubtedly were in a state of emotional turmoil; there is no evidence that the memo was properly filed and there is no suggestion that

Carey & Danis ever followed up on this memo by contacting Mr. Sheridan to serve as a witness in Chrysler's lawsuit.

In the overall context of the case, with 150 written discovery requests, numerous objections as to attorney-client privilege and work-product immunity; the change in counsel at the beginning and the end of the lawsuit; it appears that the memorandum was simply forgotten and then overlooked, an innocent omission in the context of an overwhelming barrage of discovery.

The remaining eight documents are substantially less significant than Mr. Carey's memorandum. The Informant has failed to establish by a preponderance of the evidence that Mr. Danis received these documents, or had them in his possession or control at the time he was served with the interrogatory and the document request or at the time he provided his responses to that written discovery.

Exhibit 103 is a letter from Mr. Phebus to Courtney Morgan (not a member of the group) dated July 16, 1996. The letter relates to "Paul Sheridan," and states, "We are among class counsel in a case where there has been a national certification entered as to Chrysler in regard to ABS braking.... We understand that Mr. Sheridan may be knowledgeable concerning the Chrysler ABS problems. If he is in a position to work with us as an expert, we would like to do so." The

letter was copied to all of the members of the group, including Carey & Danis but not Danis Cooper.

Exhibit 106 is a letter from Mr. Phebus to Messrs. Chestnut and Sanders dated July 31, 1996 relating to the *Brown* case. The letter indicates it was copied to the remaining members of the group, including Carey & Danis but not Danis Cooper. It appears to relate to the “subject matter” of the suit because it concerns whether a particular named plaintiff still owned her vehicle.

Exhibit 112 is a letter by Mr. Deakle to the group, including Carey & Danis but not Danis Cooper, relating to *Brown*. Although concerned with procedural matters rather than the subject matter of the suit as such, because of the detail contained in the letter, a reasonable person would like consider it to be responsive to the discovery requests if one knew about it.ly

Exhibit 116 is a three-page letter from Mr. Phebus to Messrs. Deakle and Chestnut, with copies to all group members, updating the status of all class action cases. There are three brief references to Chrysler ABS matters within the letter.

Exhibit 118 is a letter from Mr. Phebus to Mr. Danis and Chris Horn (an attorney in Mr. Phebus’s office) regarding *Brown* dated September 10, 1996, stating: “Enclosed are Alabama documents for your background. I will be needing a lot of help from you in this matter.”

Exhibit 119 is a letter to all group members including Carey & Danis. The letter contains one sentence mentioning Chrysler ABS systems.

Exhibit 120 is a letter from Mr. Phebus to the group, including Carey & Danis, relating to the subject matter of the Chrysler ABS litigation, although it does not mention any of the four specified cases by name.

Exhibit 124 is a letter from Mr. Phebus to the group, including Carey & Danis, regarding Chrysler ABS cases.

VI. Under the totality of the facts and the circumstances of this case, the proper discipline, if any, to be imposed on Mr. Danis is a public reprimand without suspension of his law license.

“The fundamental purpose of an attorney disciplinary proceeding is to protect the public and maintain the integrity of the legal profession.” *In re Snyder*, 35 S.W.3d 380, 384 (Mo. banc 2001). “It is proper to consider mitigating factors, including the attorney’s previous record, when determining the appropriate discipline.” *Id.*

A key factor supporting the imposition of a suspension of an attorney’s license is that the attorney knowingly violates his professional duty. *Snyder*, 35 S.W.2d at 385. In contrast, where an attorney has merely been negligent, “reprimand is the most appropriate sanction.” *Accord In re Weier*, 994 S.W.2d 554, 558-59 (Mo banc 1999). “This is a general standard and applies absent aggra-

vating and mitigating circumstances.” *In re McBride*, 938 S.W.2d 905, 909 (Mo. banc 1997).

A good reputation, an absence of any prior history or subsequent history of wrongdoing, and full cooperation with and disclosure to the disciplinary authorities are also all mitigating factors to be considered in determining the proper discipline. *Weier*, 994 S.W.2d at 558-59.

Here there are numerous mitigating factors and no aggravating ones.

At the time of these events, Mr. Danis was very young and only recently admitted to the Bar. He was admitted to the Bar at the age of 24 and had been a licensed attorney for two years when Chrysler filed suit against him.

Per the testimony of Mr. Fitzsimmons, one of the most highly respected trial lawyers in St. Louis, Mr. Danis is of upstanding character, with an excellent reputation for honesty and truthfulness.

Mr. Danis’s alleged misconduct occurred not in his role as a lawyer, but as a client embroiled in a massive, frightening and acrimonious lawsuit. Many of the failures in discovery directly resulted from the omissions of his attorneys: the Grossman letter was never produced because Mr. Basso forgot to pass it on to Mr. Wuestling; the discovery responses were never supplemented because Mr. Wuestling forgot to get around to it; the district court imposed sanctions because Mr. Basso gave the court repeated incorrect and inconsistent explan-

ations for the Grossman letter and failed to make a clear and timely request for an evidentiary hearing.

Mr. Danis's professional history pre- and post-Chrysler's lawsuit has been without blemish, and the Informant concedes that he does not pose a threat to the public. He has fully cooperated with the disciplinary authorities of both states in all respects, including agreeing to participate in a joint Missouri-Illinois hearing which effectively waived his right to confidentiality in the Missouri proceedings. There is no suggestion that he has not been forthcoming in his testimony in these proceedings.

Mr. Danis has been involved in providing *pro bono* legal services from time to time.

Finally, Mr. Danis has already been subject to severe sanctions, far beyond those normally experienced by litigants, through the devastating payment of his share of the \$854,000 judgment entered in Chrysler's lawsuit and by the destruction of his personal and professional reputation throughout the legal community and the public generally as a result of numerous articles appearing in *The Wall Street Journal*, *USA Today*, *The Post-Dispatch*, and other local and national publications.

Mr. Danis was careless in part in his responses to Chrysler's discovery, due to his assumption that his attorney had purposefully limited his disclosures in

compliance with an order of the court sustaining objections on the grounds of attorney-client privilege. His carelessness was magnified by the errors of his lawyers. He never willfully or intentionally mislead Chrysler in discovery, as established by his very complete answers to Chrysler's questions in his deposition, where he detailed many of the communications not included in his interrogatory answer.

Under these facts and circumstances, if discipline is to be imposed, it should be in the form of a public reprimand only, without suspension of Mr. Danis's law license.

CONCLUSION

The Court should find that Mr. Danis did not engage in a conflict of interest by representing a client against a former client in a matter substantially related to the former representation.

The Court should find that the great majority of the discovery complaints asserted by the Informant are without merit, and that Mr. Danis's discovery responses were for the most part completely accurate, and that to the extent that they were inaccurate, the inaccuracy was the result of honest misunderstanding, oversight or mistake.

The Court should find that a suspension of Mr. Danis's law license is not required to satisfy the purposes of the attorney discipline process, or to protect

the public, or to maintain the integrity of the legal profession, but that all of these goals could be satisfied by a discipline no more severe than a public reprimand.

Respectfully submitted,

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